DUN'S REVIEW

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SPECIAL FEATURES

THE OUTLOOK FOR THE MOTOR INDUSTRY
by ALVAN MACAULEY
President, Packard Motor Car Co.

ECONOMIC CONDITIONS AND THE LIFE INSURANCE MARKET
by DR. W. A. BERRIDGE
Economist, Metropolitan Life Insurance Co.

Published by
R.G. DUN & CO.
The oldest and largest Mercantile Agency in the World
Established 1841

Fifth Avenue in the 90's hardly needed a regiment of policemen to regulate the flow of traffic. The staccato clatter of horses' hoofs from thoroughbreds and just plain dobbins rang up and down the avenue like the patter of giant rain drops.

The fashionable ladies with their flower garden hats atop a Fifth Avenue bus in these leasurely days enjoyed the thrilling sight of drab brownstone mansions occupied by the select families of the city.

Shops were just beginning to crowd into this exclusive district, although the transition of Fifth Avenue was not definitely settled until the Altman Building was erected at the corner of 34th Street.

Today, this avenue is the most famous shopping street in the world. Hundreds of thousands of motor cars travel and traverse its course daily, while shoppers from every corner of the globe delight in the unsurpassing beauty and superb display of its many shops.

R. G. Dun & Co., during the many years of its existence, has seen countless such transitions in many of the leading cities of the United States. Business and shopping centers may shift, but the needs of the credit community never vary except toward improvement. No organization is more fully cognizant of this than the R. G. Dun System.

DUN'S REVIEW

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SPECIAL FEATURES

REGULAR FEATURES

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THE OUTLOOK FOR THE MOTOR INDUSTRY

by ALVAN MACAULEY

President, Packard Motor Car Company

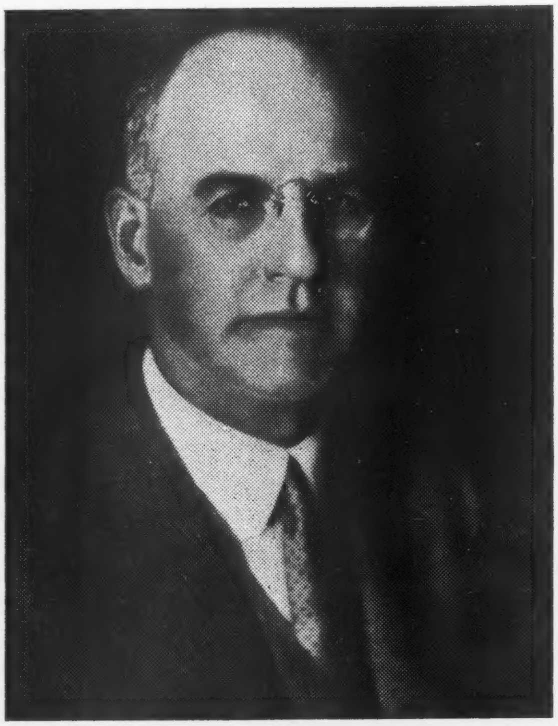
President, National Automobile Chamber of Commerce

It has been said the automotive industry can lead America to a new prosperity. The industry has demonstrated an ability to do so in the past. It should be able to accomplish such a result again.

It never was better equipped for such all-important leadership in business. It has shorn itself of non-essentials. It has still further eliminated waste of time and dollars. It has presented to the world the biggest bargains ever offered in new automotive equipment.

Every automobile today is a better car than ever before in the history of its manufacturer. And while offering much more, today's cars are presented at a much reduced price. Any dyed-in-the-wool bargain hunter needs but to step into any automobile salesroom in America to find his instincts gratified.

These greater automobile values have been created and offered at less cost in the face of lower production. The story behind this achievement in every automobile plant is epochal. It deals of the loyalty of men. It writes new chapters in engineering and chemical research. It offers new lessons in business economies, practices, and methods. It carries the romance of invention. In its composite form for the whole industry it treats of the daring expenditure of untold millions. Certainly the automobile industry has offered its contribution of patriotism to America in this country's present need.



Alvan Macauley, President, Packard Motor Car Company, and President, National Automobile Chamber of Commerce

You can't just wish the selling costs of an article down to lower levels and yet better the quality, any more than you can wish dollars into a bank account.

The manufacturing efficiency of the automobile industry had been one of the marvels of the world. With volume materially reduced there seemed no way cars could be maintained at their same level of quality and cost, let alone being made better and cheaper. It has been done, however. Anyone who knows motor cars (and what person more than ten years old does not) will attest to the improved quality of today's automobiles, to their improved safety, comfort, convenience, and ability. The price tags speak for themselves.

However, the automobile industry can become no bellwether for American business if people still continue with their inhibitions against buying. It can only speed prosperity to every State in the Union if sales produce business which will call for an effective volume of materials from every State. America's automobiles have been wearing out faster than they have been replaced. The country has an immediate need for automobiles in numbers sufficient for a production adequate to give a real impetus to all business.

What then is the answer? Has the buying power of the nation lowered to the point where it cannot purchase these much-needed motor cars—no matter how great bargains they represent?

Evidence is at hand to show that while, unquestionably buying power is weakened, there still

remains power great enough for volume buying of automobiles and for the purchase of many other things which absorb labor and materials. This volume could be great enough to bring more prosperous times.

Our front line troops, the salesmen of America, have the job in their hands now. Manufacturing has, I believe, done its part and has done it well. The salesman is up on the firing line. I believe he has become imbued with some of the spirit of this fight for the return of prosperity. I have keen hopes that he will accomplish the task that has been set before him.

His job right now is not easy. Neither was that of the engineer, of the designer, the chemist, or of the men who put their great accomplishments into finished form in the factories.

The salesman of today cannot be an order-taker of the halcyon days if American business is to stage a recovery with any degree of quickness. He must work during every minute he can find some one to whom he can talk business. He must put everything that is in him into the job. He must broaden himself. He must preach the gospel of patriotism in buying things.

Every motor car salesman has a great invisible competitor offering a completely new kind of competition against which he must fight his hardest. It is based on an old and long-ago exploded idea that the automobile is a luxury and that the purchase of one in times like the present might cause a person to be censured.

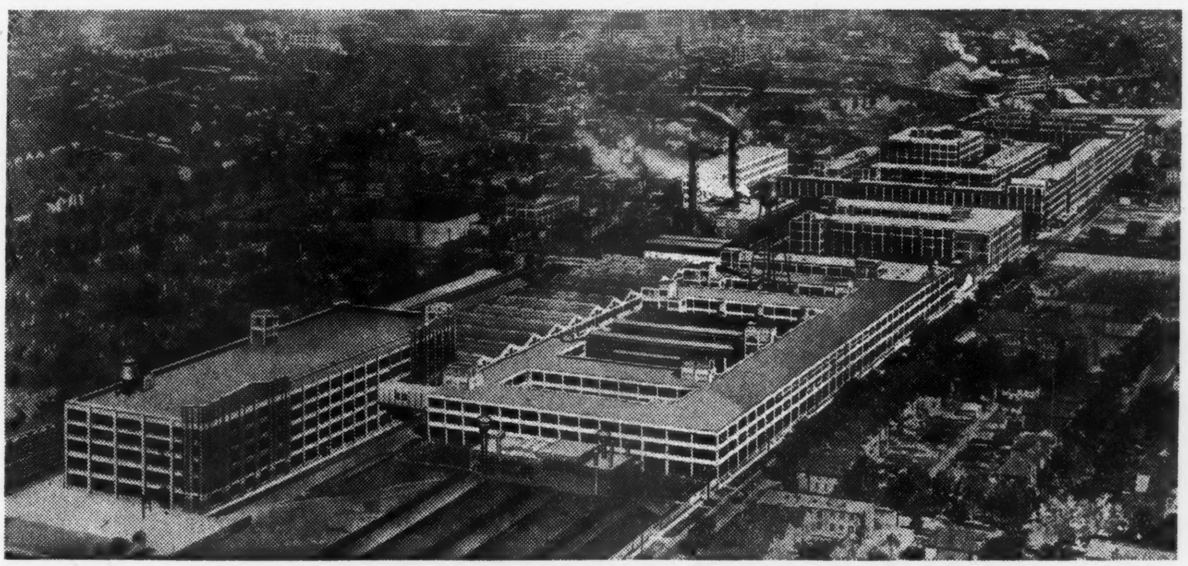
The motor car, of course, is not a luxury. No business could have become the world's largest manufacturing industry if it had been built on luxury alone. This new competition, based on a fallacy to begin with, could not exist if it were completely realized what the manufacturing of automobiles means to this country's labor and materials markets.

Every salesman knows how prospects many times will grope for any kind of an excuse for not putting their names on the dotted line. Right now it has become almost a vogue for people to talk of how poor they are. It offers a new last-minute excuse on the very threshold of sales consummation. It is the task of the American salesman to break this down and get the people of the country buying again.

When the public does start buying it will put men, now unemployed, to work. When idle men go to work and begin earning, buying will still further increase, broadening employment anew. When this cycle is working at its best America is the most prosperous.

The automotive industry has expended its best efforts to get this cycle started. It is undoubtedly true that the manufacture of no article can spread employment as far or as quickly as the building of an automobile. Every person in America, therefore, who needs a new automobile and who can afford to buy it, owes it to himself and to his country to give his order immediately.

Unquestionably, many persons are delaying the purchase of new cars in the hopes of obtaining better bargains later. They are going to be disappointed if they continue waiting. Today's cars were priced on an anticipated volume of sales. If this volume is not forthcoming, prices are going up. The trend already is toward higher prices. Three companies within the past two weeks have increased their prices by approximately one hundred dollars. More will follow—it is a hopeful sign.



Aerial view of the Packard Motor Car Company factories

ECONOMIC CONDITIONS AND THE LIFE INSURANCE MARKET

by DR. W. A. BERRIDGE
Economist, Metropolitan Life Insurance Company

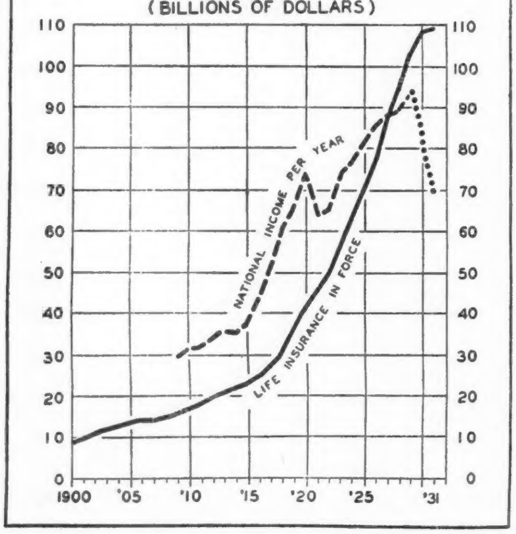
"Carrying coals to Newcastle", by proving that depression prevails practically throughout the country and the world, is not the purpose of this brief paper. Nor is it necessary here to demonstrate that the present depression is the most acute, or the most long drawn out, depression that the country has suffered in decades if not generations; that fact too is pretty well recognized. Rather, the purpose is to review briefly some less well recognized facts showing how the life insurance structure has weathered this unusual depression, and particularly to sketch some of the economic factors bearing upon the future of life insurance when recovery appears in general business conditions.

The bottom of a well is not a very good place from which to get a perspective view of the horizon! For analogous reasons, there is small wonder that many business men and other citizens lose their economic perspective when they are viewing conditions from the bottom of a depression—while the prices of securities, the prices and production of commodities, and related economic variables are at low ebb, and while defaults, business failures, unemployment and poor relief operations are repeatedly "making the front page," as they have since 1929.

One of the most impressive acid tests of the soundness of the life insurance structure, and its future potential market, is the reaction of life insurance to the impact of economic conditions during the extraordinarily depressed year just passed. How 1931 shapes up in comparison with the thirty previous years, is portrayed on the first of the accompanying charts; the coverage represented is that of all United States legal-reserve companies, the 1931 figures being those estimated on this comprehensive basis by the Association of Life Insurance Presidents. With the combined volume of life insurance in force is compared the growth of national income as determined by Dr. Willford I. King and the National Bureau of Economic Research—extended for recent years by some estimates of the Metropolitan Life Insurance Company.

The figures thus far available indicate that legal-reserve life insurance in force, which had amounted to only about $9,000,000,000 at the end of 1900, expanded twelvefold or to $108,000,000,000 by the end of 1930, and during 1931 achieved a further increase to $109,000,000,000. Admittedly, this gain of $1,000,000,000, or slightly less than 1 per cent, was an unusually small one, indeed, the smallest percentage increase in the entire period shown on the chart. But a fact more significant of the powerful underlying forces of demand is that there could be any increase at all in a year fraught with so many economic difficulties. Despite the setback in consumer markets, new sales of life insurance during the year just closed are estimated by the Association at $11,050,000,000 in Ordinary, $4,800,000,000 in Industrial, and $650,000,000 in Group—making a total of $16,500,000,000 in 1931, as compared with a final figure of $19,019,790,000 for 1930, or a decline of only about 14 per cent. Ordinary, which constitutes the lion's share of the market, probably gained in force approximately $900,000,000, or from $79,800,000,000 to $80,700,000,000; neither Group nor Industrial gained very much if any.

GROWTH OF LEGAL-RESERVE LIFE INSURANCE IN FORCE, AND OF NATIONAL INCOME PER YEAR
(BILLIONS OF DOLLARS)



The fact that net gain in force during 1931 amounted, according to the data thus far available, to only about one-sixteenth of the total new business placed, is of course due to the unusually heavy volume of business lost through cash surrenders and lapses, combined with death claims, maturities, etc. Despite the increase in these types of terminations, gross premium income nevertheless rose between 1930 and 1931 from $3,524,000,000 to $3,690,000,000; and total income exceeded the items of outgo, by a

margin wide enough to permit setting aside a comfortable fund for increase in assets, which are estimated to have risen during the year by about $1,300,000,000 or from $18,900,000,000 to $20,200,000,000.

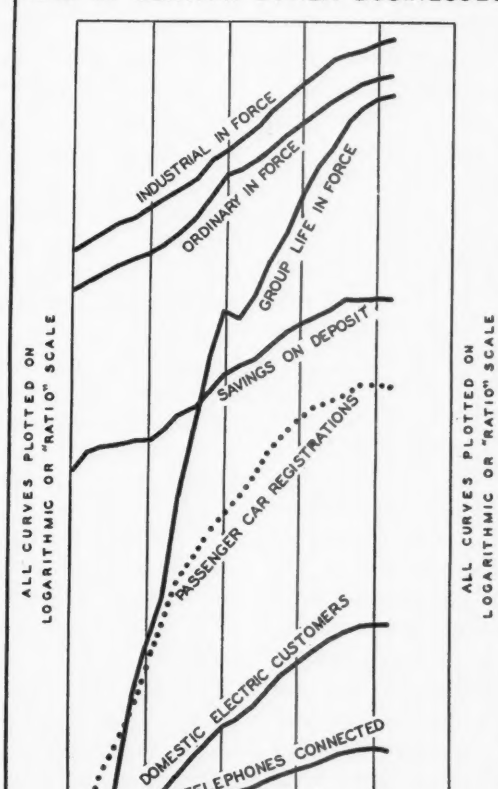
Policy loans, although from the accounting standpoint considered as an investment rather than as an outgo, have done so much to aid the economic condition of policyholders, and thereby to demonstrate an important advantage of insurance, that they merit a word here. The net increase in policy loans and premium notes outstanding between the beginning and the close of 1931 is, according to our latest estimates, between $500,000,000 and $550,000,000 for all U. S. legal-reserve companies combined, as compared with a net increase of about $425,000,000 in 1930.

The unprecedented size of the out-payments by life insurance companies to policyholders, in connection with policy loans and cash surrenders, is due primarily to the fact that a far larger volume of insurance has been in force long enough to become eligible for loan or surrender than was the case in the last previous major depression of 1921. To some degree, it of course reflects also the intrinsically greater severity of this than the earlier depression. It is a fact attested by hundreds of thousands of people, that their life insurance holdings constituted the one asset upon which they could realize at par, or at anything like par. Indeed, the smooth and orderly functioning of the life insurance companies in coming to the rescue of policyholders who wished to draw temporarily upon their accumulated reserve—and at a time when not only stocks and real estate and commodities, but even high grade bonds, were sadly depreciated in value—is one of the finest testimonials that any merchandisable product has ever had or ever could have.

Such a self-contained testimonial to the value of the product is bound not only to result in a strong incentive leading to restitution of insurance estates by those who have drawn against them in temporary distress, but also to result in the expansion of demand for the product from those who previously had inadequate insurance protection, or none. Such restitution of old coverage to its full amount, and expansion of new volume, are processes which will necessarily take time, and cannot go forward with full power till recovery of general business activity and national income set in; but, when that recovery develops, as it inevitably must, there can be little question concerning the heavy influx of demand not only from old customers but also from those who had never become fully converted to programs for adequate coverage until that expensive lesson was taught to them by the collapse of other values in the depression.

In addition to the steadfast manner in which the life insurance structure has weathered the storm of depression, various other evidences might be cited in support of the view that life insurance markets hold a very favorable outlook. For lack of space, only a few of these can here be touched upon.

GROWTH RATE OF LIFE INSURANCE IN FORCE, AND OF CERTAIN OTHER BUSINESSES



One basic fact suggesting the presence of a large uncovered market is that even the present expanded volume of life insurance in force is small when compared with the national income. Not until about five years ago did the amount of life insurance line cross the national-income line on the chart. According to the National Bureau of Economic Research, whose conceptions and definitions of national income are here used, the people of the country earned nearly $90,000,000,000 in the year 1927, and at the end of that year the United States legal-reserve companies had a dollar value of business in force very nearly equal to that amount. Subsequent history, which has seen life insurance go up to $109,000,000,000, and has witnessed a temporary reduction in nation income from about $95,000,000,000 in 1929 to a point somewhere near $70,000,000,000 in 1930, discloses an aggregate life insurance coverage about equivalent to the income of the people for a period of only about a year and a half. Even with most liberal allowances for property income in the average

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STRUCTURAL CHANGES IN THE BUSINESS SYSTEM

by DR. STEPHEN I. MILLER

Director of Economics, R. G. Dun & Co.

Practically every industry, organization and individual has been affected by the readjustments of the past two years. So far reaching have they been that many observers are convinced that they are structural in character, rather than merely cyclical. Dr. Miller explains the significance of these transitions.

At a time when a voice from Rome, Berlin or Paris may come in over a million radios in the cities, small towns and country districts of America; when airplanes cross state and national boundry lines in less time than was formerly required to take grist to the village mill; when the communication of even international ideas, sweep from house to house like winged-foot couriers; it is little wonder that the dull, heavy imagination of the past has taken on a receptivity that is rapidly changing thought and institutions. To such an extent is this true, that it may now be possible to anticipate fundamental changes with a greater accuracy than to read the business barometer a year hence.

The field of business activity has fewer traditions than the field of government. The latter has been constitutionally defined and fortified by judicial opinions, the former has clung, with only fair success, to an individualistic interpretation. During the past 45 years the entire railroad and public utility field has been brought under government control. The credit structure has been enlarged and brought under the administration of the Federal Reserve Board. For more than 100 years home and foreign markets have been partly determined by tariff policy. There has also been a great deal of legislation relative to the terms and conditions of employment. There have been subsidies for particular industries, there have been limitations on competition, and limitations on business mergers. All these modifications have been far-reaching, and indicative of the fact that individualism in business has not been accepted without a challenge. It is safe to say that through government, economics has gone through more changes than government itself. Add to this the changes in business technique brought about by inventions and capital expansion and it is readily seen that the business profession is highly volatile.

TREND RECENTLY TOWARD CONTROL

Keeping in mind the flexibility of the economic structure one is in a position to detect some new formations on the business battle front. There is at least one transition that seems to be well defined. It is the growing power of Nationalism. Many believed that the great war would draw the nations closer together. This has not been fulfilled. It is safer to say that the economic and political instability which followed the war have forced the nations farther apart. The necessity of economic rehabilitation, the default of interest and principal on international payments, the struggle for gold, fluctuations in monetary standards, trade embargoes, tariffs and the rise of Sovietism have all converged into a mighty emphasis of national economic self-sufficiency. Even the much desired disarmament of the nations, would, in the first instance, tend to accentuate the necessity for industrial co-ordination. In a world without arms the residuum of power will rest with the nation that can most speedily and completely mobilize its economic resources. For the time being the business man will probably face such an expansion on the one hand, and curtailment on the other, as will promote even greater national economic independence. The rapid progress in communication has brought the back yards of nations closer together. The first reaction has been one of fear. For the time being much attention will be given to boundary lines, industrial planning and managed economy.

NATIONALISM GAINS FAVOR

The second great economic transition has not progressed so far. It is the result of the slow, but substantial influx of machinery into economic processes. It has made possible a productivity far in excess of demand; even during normal business years. Unemployment looms as a problem after the return of reasonable prosperity. In the long run the advent of machinery makes possible lower costs and a higher standard of life. In the short run it throws men out of work, and these men find it most difficult to obtain employment along new lines in distant places. Such an economic transition is continually

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THE MONTHLY EDITORIAL

Has our mental viewpoint altered in the past two years? Can we think our way out of our present difficulties?

HAVE WE TURNED THE PSYCHOLOGICAL CORNER?

The most important of the many changes of the past two years has been the alteration in our mental viewpoint.

Years of plenty and easy success had bred in us a feeling of superiority to events. We felt that nothing could interrupt our triumphant progress toward ever higher living standards and ever greater prosperity. We had the all-embracing confidence that verges upon complacency.

The events of recent months have effected a great change. As jolt after jolt deflated our complacency, shook our confidence and tried our courage it began to dawn upon us that the period through which we were passing had far more significance than we had originally supposed.

This realization marked the beginning of general constructive thinking about the economic problems of the day. From that time on books, articles and lectures on current business questions found a more eager and interested audience than ever before. The opinions of recognized authorities in individual fields were actively sought and attentively received.

INTEREST AWAKENED

How frequently, prior to 1929, did we hear gold movements, stabilization plans or central bank policy discussed in the common meeting places? How many of us were familiar with bimetallism or with the effects of anti-trust laws and tariff walls upon domestic industry?

These are problems which we were content formerly to leave to the students within whose province we felt they belonged. Now they are questions of vital interest to business men. They have attained to this status because they seem now to have direct bearing upon our future welfare. Business men wonder how they would fare under a bimetallic standard and whether their operations under a plan of controlled prices and production would be profitable. They think about the probable effect on their own business of changes in the anti-trust laws. They are anxious to learn just how much protection tariffs really afford them.

Through the intelligent solution of these and related problems men hope eventually to find the key to a better balanced industrial order. This hope for an improved business structure in the future arises from dissatisfaction with the present system. We have seen so many maladjustments between distribution and sales, between work and workers and between income and capital that we have concluded that in the future our economic life should be ordered differently to insure continuity of return upon the time and capital invested.

Today the average business man, who formerly thought in terms of his own business and his own industry is giving serious thought to our national economic problems. Merchants who would normally stock goods now are withholding their orders until they know whether a bonus bill will be passed. If it is passed it will have a profound effect upon the business of the average merchant, and he knows it.

Just as he sees the bonus proposal in relation to his own interests he realizes that he will profit when laborers are put back to work, when the national budget is balanced, when foreign trade is rehabilitated and when domestic industry is revived. He understands, through observation, how present conditions have come about and he also is convinced that if, through the swing of the pendulum, all that is wrong now is soon righted, there is still the possibility that the difficulties of this period may be repeated again, with equal severity, at some future date if steps are not taken to check inflation of all kinds at the proper time.

CHANGE IN VIEWPOINT

Because of this conviction the average man is in a receptive frame of mind. He seeks the assurance of better times ahead with no possible recurrence of the troubles he has experienced in recent months. He is anxious to read, consider and discuss all plans which promise to help him to that end.

Many plans with this objective have been offered in the past two years. Of these a high percentage appear to be workable in part. A few are more impractical than otherwise. Suggestions of this kind are naturally conducive to controversy. In the aggregate they have provided many fertile subjects for discussion.

It is thinking out the relative practicability of current proposals and talking about them with associates that the alert business man has come to the broad consciousness of economic problems which makes his mental viewpoint vastly different today than it was two years ago.

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SURVEY OF INDUSTRY—First Quarter, 1932

by QUINCY ADAMS

Production in first quarter of 1932 lower by 29.7 per cent and sales lower by 28.7 per cent than in the corresponding period of last year—Inventory valuations 19.7 per cent less with unit inventories off by 22.6 per cent—Moderate price decline of 9.3 per cent reflects strength since November—Employment drops further; money market featureless—Sales of necessities well maintained—Failure liability totals continue high, a natural phenomenon in the final stages of deflation

The formation of the Reconstruction Finance Corporation and the passage of the Glass-Steagall bill were the outstanding developments of the first quarter of 1932. Both represented concerted action on the part of the Administration and the political and industrial leaders of the country to stop excessive deflation. As a result of these constructive steps a number of railroads are assured of loans to take care of maturing obligations and bank closings have dropped sharply.

One of the most disconcerting features of the business news from the Spring of 1931 to the end of the year was the high mortality among banks. As the papers each day carried new lists of closed institutions a feeling of uneasiness grew. This deepened and intensified until, late in December, it had become an extremely depressing influence. Money was hoarded, initiative checked and markets demoralized. The trend of railroad earnings, while causing less general alarm than the banking situation, had also become a subject of grave concern. Investors, remembering the substantial interest held by life insurance companies and savings banks in high-grade railroad bonds were apprehensive that there might be defaults of interest, and even principal, if the carriers did not soon receive concrete aid. The feeling was reflected in large-scale selling of securities in this category with resulting impairment of the market and of the liquidity of individuals and institutions still retaining their holdings.

EXPLANATION OF CHARTS

CHART I.

The averages of Industrial production, sales, inventories and salary and wage scales in this chart are constructed from the reports of those industries, the sales of which are shown separately in Chart II.

The other averages are also derived from primary sources. The average of commodity prices is based upon the current position of Dun's Index Number of Commodity Prices. The commercial failure average is based upon R. G. Dun & Co. figures. The average of money rates includes all the principal classes of paper.

Bureau of Labor employment figures, questionnaire returns from industrial centers and estimates for the principal centers of population are combined in the average for employment.

CHART II.

In comparison of industrial sales the sales of the industries contributing to the sales index of Chart I are shown individually.

CHART III.

The fluctuations in Dun's Index Number of Commodity Prices are shown since 1919.

CHART IV.

The constituents of The Index of Industrial Activity are bituminous coal production, bank clearings outside New York City and pig iron production. It is not meant to serve as a barometer of all industrial activity as this is clearly too broad a function for any single index. The Index can be applied specifically only after due allowance for all factors involved and its significance must be regarded as general.

The positive steps to check excessive deflation which crystallized in the Reconstruction Finance Corporation and the Glass-Steagall bill exerted a powerful influence upon sentiment. Everywhere there was genuine relief when it became apparent that the new organization and the banking legislation were accomplishing their basic purposes. Bankers and business men felt that the removal of these two depressing influences was the most substantial achievement since deflation first set in. They turned back to their daily affairs with the comforting knowledge that they could now concentrate undisturbed upon the solution of their own problems.

Partly as a result of continued readjustments and partly as a result of widespread nervousness there was little tangible industrial progress in the first three months of the current year. Prices continued to fall, buying remained on a hand-to-mouth basis and forward ordering was at a minimum. The most frequently consulted indices failed, practically from the beginning of January, to give evidence of a Spring rise in industrial activity, such as usually takes place in the first quarter. The result was a continuance of the downward trend which has ruled since early in 1930.

Production and Sales Lower

The first two averages in Chart I are those of industrial production and industrial sales. Both are calculated on a unit basis from the returns of the

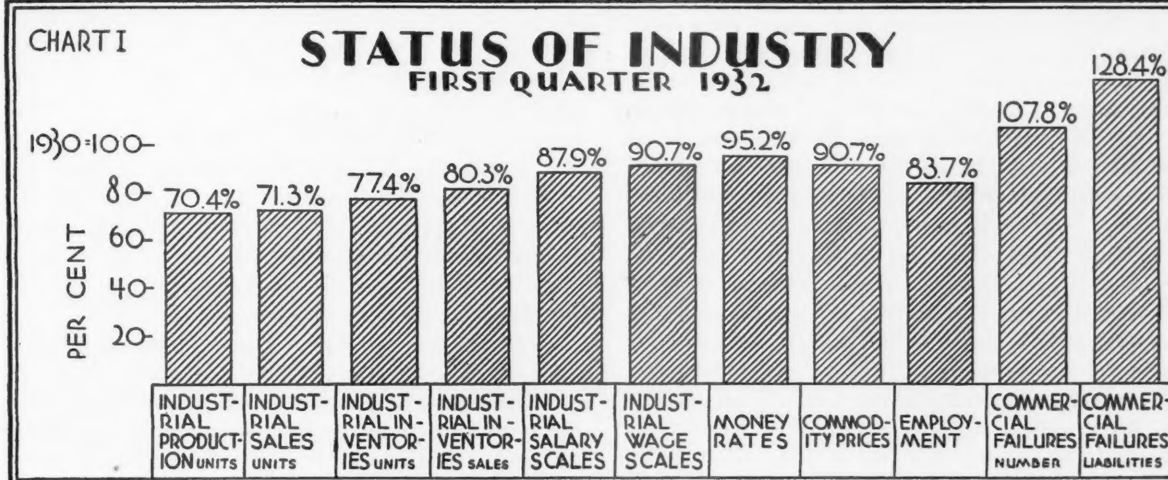


CHART I
STATUS OF INDUSTRY
FIRST QUARTER 1932
1930=100
80
60
40
20
PER CENT
70.4%
71.3%
77.4%
80.3%
87.9%
90.7%
95.2%
90.7%
83.7%
107.8%
128.4%
INDUSTRIAL PRODUCTION UNITS
INDUSTRIAL SALES UNITS
INDUSTRIAL INVENTORIES UNITS
INDUSTRIAL INVENTORIES SALES
INDUSTRIAL SALARY SCALES
INDUSTRIAL WAGE SCALES
MONEY RATES
COMMODITY PRICES
EMPLOYMENT
COMMERCIAL FAILURES NUMBER
COMMERCIAL FAILURES LIABILITIES

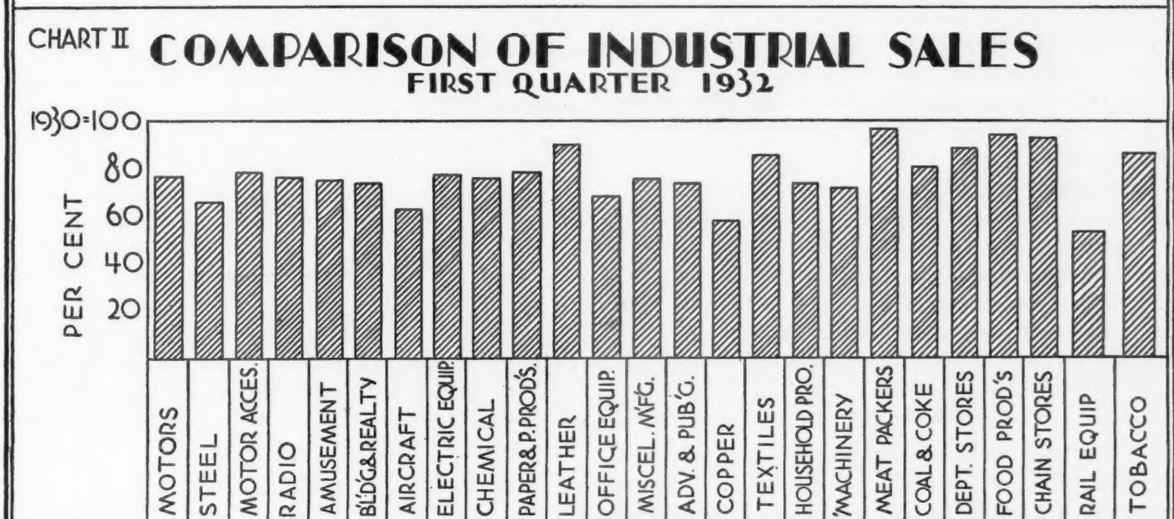
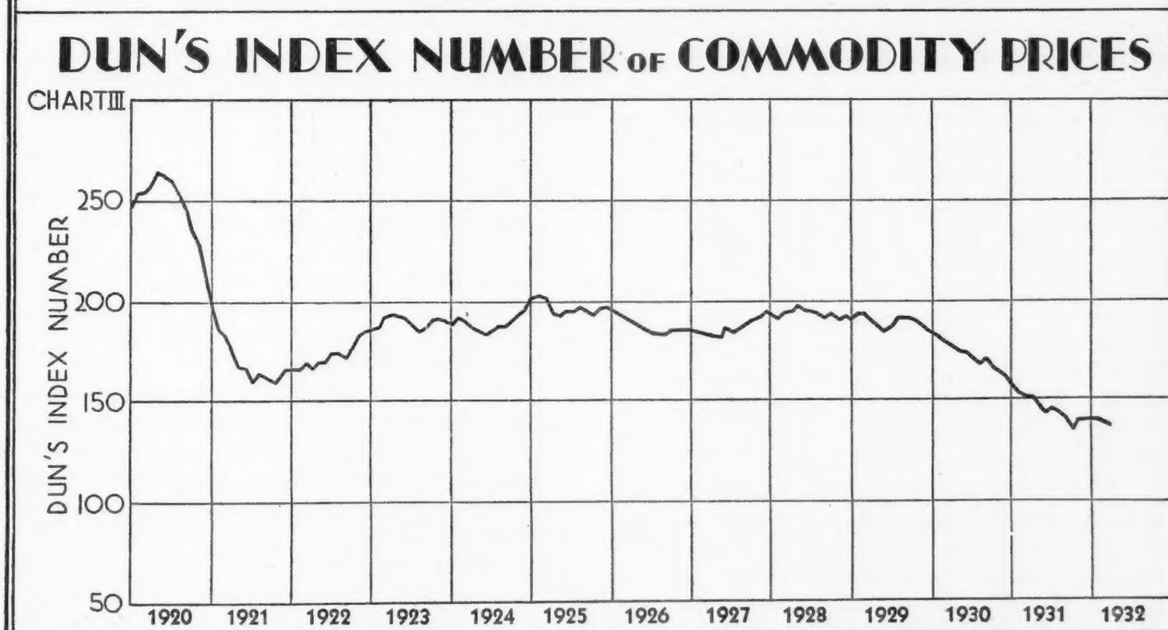


CHART II
COMPARISON OF INDUSTRIAL SALES
FIRST QUARTER 1932
1930=100
80
60
40
20
PER CENT
MOTORS
STEEL
MOTOR ACCES.
RADIO
AMUSEMENT
BL'D'G.&REALTY
AIRCRAFT
ELECTRIC EQUIP.
CHEMICAL
PAPER & P. PROD'S.
LEATHER
OFFICE EQUIP.
MISCEL. M'F'G.
ADV. & PUB'G.
COPPER
TEXTILES
HOUSEHOLD PRO.
MACHINERY
MEAT PACKERS
COAL & COKE
DEPT. STORES
FOOD PROD'S.
CHAIN STORES
RAIL EQUIP.
TOBACCO


DUN'S INDEX NUMBER OF COMMODITY PRICES
CHART III
250
200
150
100
50
DUN'S INDEX NUMBER
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932

25 industries, the sales averages of which are shown separately in Chart II.

Industrial production and sales were both substantially lower in the first quarter of the current year than in the same quarter of 1931. The decline from the previous year was 29.6 per cent in production and 28.7 per cent in sales. It is interesting to note that production in the first three months of 1931 was 26.5 per cent below that of the year before, while the decrease in sales amounted to 27.7 per cent.

One reason for the slightly less favorable comparison which the recent period makes with the corresponding quarter of 1931 is that in the earlier year there was a pronounced Spring rise in activity which did not appear this year. On the other hand, there was also a gain in the early months of 1930, so that the comparison between the initial quarters of 1931 and 1930 is between two periods of improvement. While both production and sales gained moderately from the end of December, 1930, to the end of March, 1931, this improvement was lacking in 1932. The downward trend of the current year is compared with a gently rising trend last year which accounts for the unfavorable appearance of the recent statistics.

The averages for the quarter just ended show a greater contraction in production than in sales. The same was true of the fourth quarter of 1931. These facts indicate that sensitiveness to market conditions is becoming quite general throughout industry and that production schedules and sales campaigns are being carefully planned and co-ordinated.

Industrial Inventories Decline

The third and fourth averages in Chart I show the comparison of the averages of industrial inventories for the first quarters of 1932 and 1931. The first average is calculated solely on the number of units, while the second depicts the comparative dollar valuations of inventories from the two periods.

Unit inventories for the quarter just closed were 22.6 per cent lower than in the same period in 1931; inventory valuations were 19.7 per cent below those of the earlier quarter. Both of these declines greatly exceed the actual drop in the price level for the period which amounted to 9.3 per cent. These averages give evidence of the continuance of the policy of reducing stocks and writing down their values which has been followed by the majority of concerns since the beginning of 1930. The trend toward a controlled accumulation of unsold goods, valued to agree with the prevailing price level has been one of the strongest features of industrial reports for a number of months past.

There is ample evidence in these averages that many American businesses today are being run with full recognition of the merits of correctly valued inventories. Through carefully worked-out schedules of production and sales, accumulations of unsold merchandise are being kept at a minimum. The full benefits of this cautious program will be felt when industrial revival begins and an active market for fresh goods at rising prices rewards the merchants who have maintained strict inventory control throughout the deflation period.

Further Pay Roll Economies

Following the inventory averages in Chart I are the averages of industrial salary scales and of industrial wage scales. These were compiled from the reports of the industries, the sales of which are shown individually in Chart II, augmented by reports from industrial centers.

In the first quarter of 1932 industrial salary scales in the industries included in the survey averages 12.1 per cent below those in force in the same quarter of 1931; the average of industial wage scales was 9.3 per cent below those prevailing in the first quarter of 1931. The declines in both these averages are less than those of the production and sales averages, both of which were lower by nearly 30 per cent.

Every industrial factor is related so closely to others that a misleading picture may often result from the consideration of a single set of statistics. This is the case with pay roll figures. To give them their proper weight the observer must consider the trend of industrial production and sales, the gain or shrinkage in corporate profits and the comparative price levels in the periods under review, as well as the dividend and interest income from investments. Analyzing the current decrease in salary and wage scales in this way we must conclude that it has been less drastic than the shrinkage of business and less severe than the decline in the earning power of capital.

Employment Decreases Moderately

The employment average in Chart I is derived from the reports of the same industries which contributed to the previous averages. It is supplemented by Bureau of Labor figures and estimates of employment in the principal centers of population.

Employment in the first quarter of 1932, averaged 16.3 per cent below that of the first quarter of 1931. This is a slightly less favorable comparison than was shown in the final quarter of last year, when employment was 15.8 per cent lower than in the corresponding period of 1930. A powerful influence in bringing about this further decline was the low rate of operations which prevailed in the principal industrial centers.

Lacking the stimulus of a broad revival of buying after the turn of the year many large manufacturing organizations followed a policy of contracting operations steadily and of effecting economies wherever possible. As a result, there was continuously less work for the skilled and unskilled laborers who contributed to a higher unemployment total. Naturally, these conditions also affected

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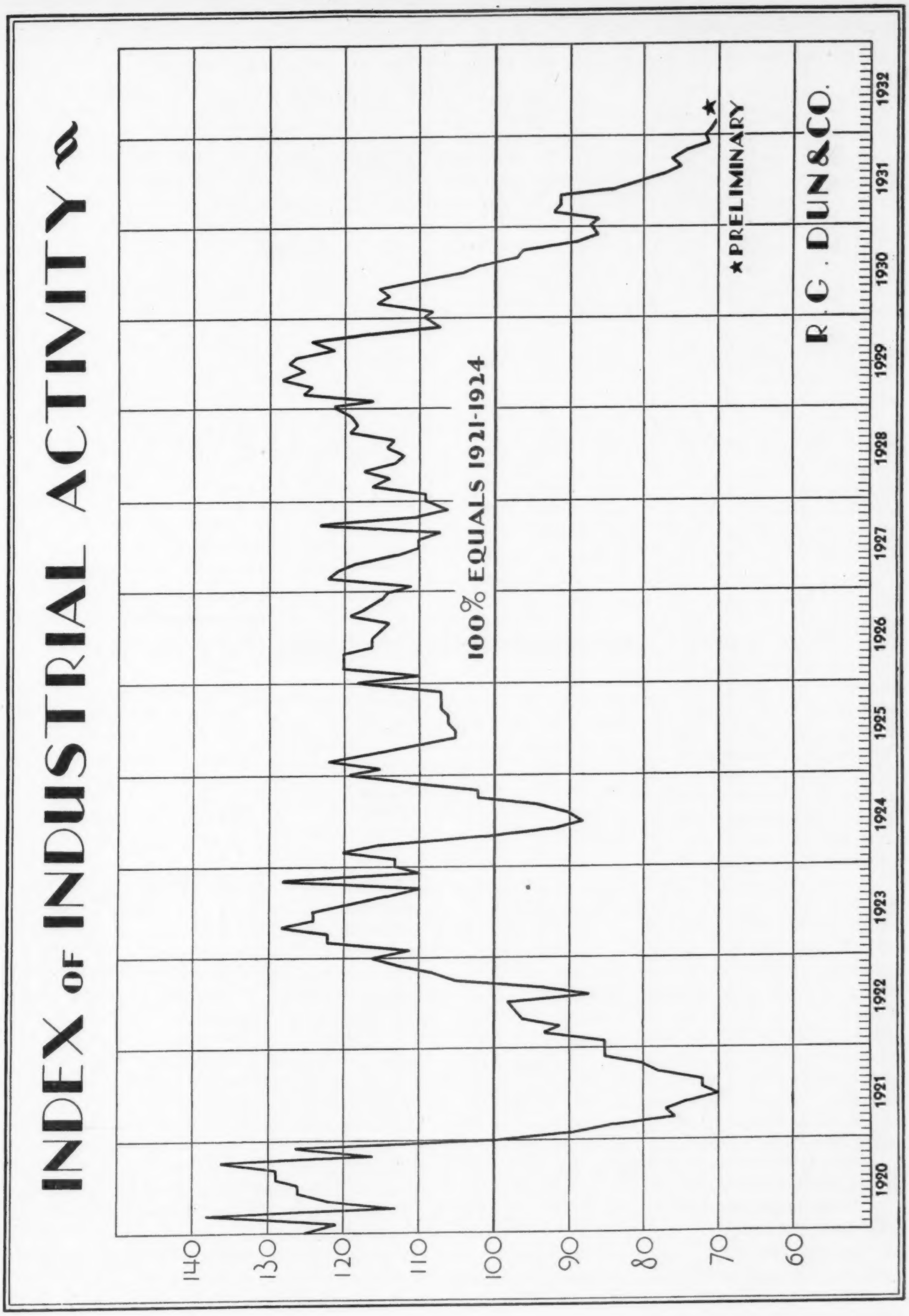
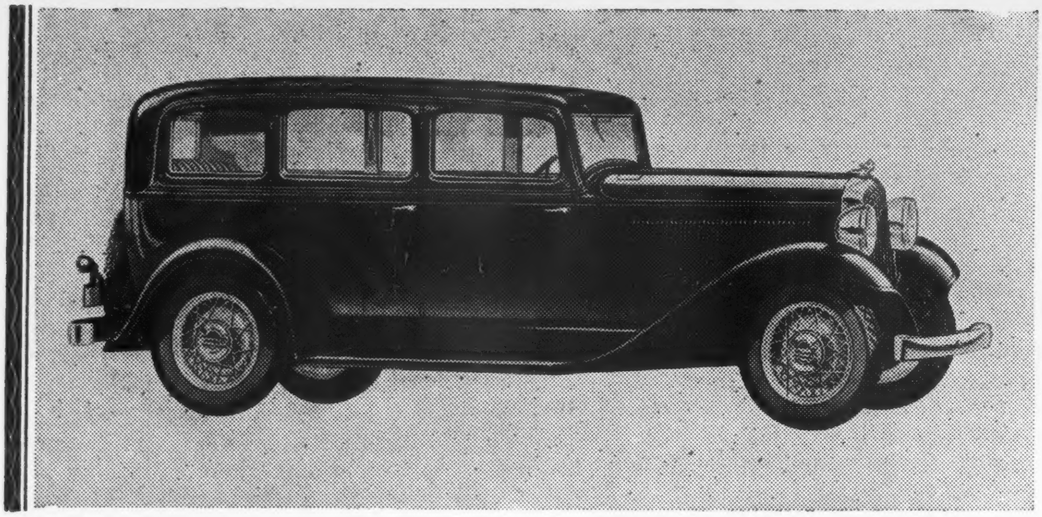

INDEX OF INDUSTRIAL ACTIVITY
100% EQUALS 1921-1924
★PRELIMINARY
R. G. DUN & CO.
140
130
120
110
100
90
80
70
60
1920
1921
1922
1923
1924
1925
1926
1927
1928
1929
1930
1931
1932



Courtesy Plymouth Motor Corporation.

AUTOMOBILE LEADERS LAUNCH SPRING DRIVE

by RAYMOND BRENNAN

Resumption of buying expected during the second quarter, aided by the long-delayed appearance of the outstanding models in the low-price field. Industry has maintained its dominance as a world trade factor, despite recession of last two years. Future of industry almost entirely a question of demand.

The usual expansion occurring in automobile production in normal years failed to materialize during the first quarter of 1932. The upturn immediately after the holidays lasted only until the middle of January. Production, compared with that for the same period of the previous year, ranged from 30 to 40 per cent in units, with a somewhat greater reduction in values, owing to the general downward trend in prices.

This situation undoubtedly was aggravated, to a large extent, by the virtual disappearance from the market of one of the leading small cars during the first three months. Among retailers generally, however, the opinion now prevails that the replacement market for Spring will be of good proportion, with a substantial improvement in sales during the next three months. The long-delayed appearance of one of the outstanding low-priced cars at the end of March and the launching of another one on April 2 is expected to act as a strong stimulant to the movement of all automobiles.

The conditions of the first quarter, which have been characterized as trade stupor, are being met determinedly by the leaders in the low-priced field, who are concentrating on a nation-wide alignment of sales support. This campaign, which is being launched after the most thorough preparation that human ingenuity and hundreds of millions of capital could set in motion, is expected to inject new life and hope into the industry. In addition, it will start and maintain an upward movement in many lines dependent upon motor vehicles. For, the automobile industry in the last three decades not only has become the largest manufacturing enterprise in the world, but has vast ramifications that make its every move a beneficial or adverse influence for even unrelated branches of commercial activity. From being classified in the United States Census of Manufacturers in 1899 as a part of the carriage and wagon industry, it had developed into the eighth largest industry by 1914, and sprang to the front by 1923, a position which it has since maintained undisputed.

Its importance, however, is not confined to the United States, for it now contributes 85 per cent to the world production of automobiles, with France, England and Germany the next largest producers. Of all the automobiles now in use throughout the world, 76 per cent are of American make. With an invested capital in automobile manufacturing alone —exclusive of parts, accessories, bodies and tires— of approximately $2,000,000,000, the industry gives

employment in normal years to 4,700,000 persons at an average wage of $1,200.

As the total of persons gainfully employed in all industry is estimated at 46,000,000, this means that the automobile industry makes available for the country each year purchasing power of $5,500,000,000 for food, clothing, furniture, houses and articles produced by other industries. This is but one of the reasons that recovery has been retarded in many sections of the country because of the delayed inauguration of concerted activity on the part of the automobile industry. While it has been estimated that 18 per cent of all retail sales of all commodities are automotive products, the industry's importance to many of the raw materials markets is even greater. For in 1931, the automobile industry used 75.0 per cent of all the alloy steel bars produced, 72.7 per cent of all the alloy steel, 59.6 per cent of all the carbon steel produced, 54.0 per cent of all the malleable iron, and 25.3 per cent of all the stainless steel sheets.

GIVES FIVE BILLIONS OF PURCHASING POWER

In addition, it used 60.0 per cent of the total production of plate glass and was credited with 82.8 per cent of the total consumption of crude rubber. Of the entire consumption of lead during the year, it accounted for 22.3 per cent; of the total consumption of aluminum, 17.5 per cent; and of the total consumption of copper, 11.1 per cent. The industry also is an important user of hardwoods, having bought 14.3 per cent of the entire quantity sold in 1931.

Of asbestos, nearly 165,000 linear feet are used as brake-linings during the course of a year; of lacquers and varnishes about 18,000,000 gallons, exclusive of repaint jobs; and of lubricating oils nearly 450,000,000 gallons. Of gasoline, the automobile industry is the largest consumer, nearly 80 per cent of each year's production being purchased by motorists. Nearly every State in the Union produces some raw material which is utilized in automobile manufacture or operation.

Special motor vehicle taxes in the way of gasoline levies, registration fees, and other assessments, paid largely to the States, now amount to $1 out of every $1.76 paid in State taxation for all purposes. With the annual total of motor vehicle taxes last year reaching nearly $883,000,000, this means that the levies against motor transportation amount to $1 out of every $10 collected by Federal, State and municipal authorities each year. This total is equal to nearly one-fourth of the entire budget of $4,000,000,000.

Broken down, the figures disclose that, while 13 per cent of the vehicles are motor trucks, the owners of these essentail units of transportation pay 27 per cent of the special vehicle taxes of $270,000,000. With the increased gasoline levies, higher registration fees, and the excise tax, the automobile industry in 1932 will contribute a still larger share toward balancing the national budget.

The production of passenger cars, taxicabs and trucks in the United States and Canada in 1931 was the lowest recorded in the last ten years. The total of 2,472,366 contrasted with 2,646,299 in 1922. It is less than one-half the production of the boom year of 1929, when the industry reached its peak with 5,621,715 units manufactured during a period of twelve months.

Following a sharp increase in December, when production of motor vehicles in the United States and Canada was nearly twice the November total, output during the first two months of the current year declined steadily. The January total of 123,075 eased off to 122,890 in February. The latter compared with 229,881 in February, 1931.

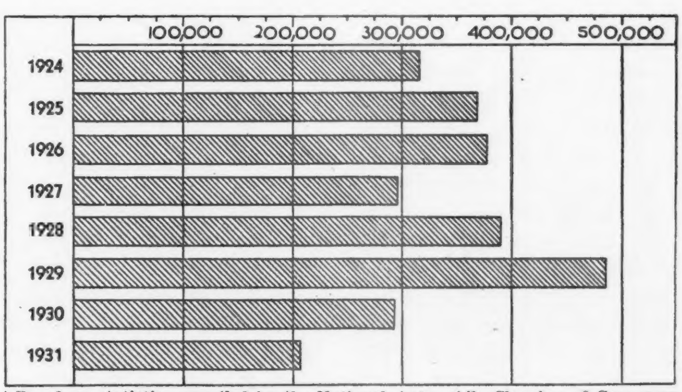
As many American manufacturers operate plants in Canada, figures for the two countries are merged in the following table that shows monthly production since January, 1929:

MONTHLY MOTOR VEHICLE PRODUCTION
(United States and Canada)

	1929	1930	1931	1932
January	422,538	283,610	178,344	123,075
February	497,705	345,961	229,811	122,891
March	626,076	417,118	289,398	....
April	663,811	468,281	354,098	....
May	636,250	444,699	329,901	....
June	567,424	349,596	257,475	....
July	518,301	275,721	222,709	....
August	512,842	234,160	191,749	....
September	429,729	228,606	143,212	....
October	394,540	158,942	81,582	....
November	226,997	142,161	70,114	....
December	125,502	161,323	123,973	....
	5,621,715	3,510,178	2,472,366	....

Production is carried on in 242 establishments, which are classified as strictly motor vehicle factories. Of these, 31 are located in Michigan, 15 in Illinios, 18 in California, 23 in Ohio, 9 in New York and 6 in Indiana. In addition, there are approximately 1,300 factories which produce passenger cars, truck bodies and assembled units, suuch as transmissions, engines, axles

AVERAGE MONTHLY PRODUCTION OF MOTOR VEHICLES *
(United States and Canada)



* Based on statistics compiled by the National Automobile Chamber of Commerce.

The monthly average output in 1931 of motor vehicles, which includes passenger cars, taxicabs and trucks, was the lowest in the last decade. It was less than half the total for 1929, in which year the industry reached an all-time peak of 5,621,715 units.

and clutches, together with component assemblies, such as carburetors, ignition systems, wheels and frames. The factories manufacturing replacement parts, fittings, accessories, maintenance and service station equipment total around 6,000, and are scattered through thirty-three States.

With the exception of 1929, when there was a slight increase in output, as compared with that of the year preceding, the total running to 510,409, there has been an uninterrupted decline in the production of open cars in the United States since 1923, when an all-time high of 2,477,635 was reached. By 1926, the total had declined to 1,105,505 and by 1931 the number of open cars manufactured had gone down to 103,688, in contrast to an output of 1,934,515 closed cars. Prior to 1925, the number of open cars manufactured was each year in excess of the closed car production. In 1923, when open-car production reached a top figure of 2,477,635, the number of closed cars manufactured was only 1,276,310.

BULK OF OUTPUT IN CLOSED CARS

By breaking down the total of 2,389,730 passenger cars produced in the United States in 1931, it is found that the Ford factories were responsible for only 28.8 per cent of the year's volume, while General Motors contributed 44.0 per cent of the total, and all other manufacturers 27.8 per cent. In both 1929 and 1930, the Ford output contributed the highest percentage of the total. For, of the 5,358,420 passenger cars produced in the United States in 1929, Ford factories were responsible for 35.5 per cent, while General Motors accounted for 32.4 per cent, and all other manufacturers 32.1 per cent.

Although the total production of passenger cars in the United States in 1930 declined to 3,355,986, the Ford factories contributed a relatively larger number of cars to the total than was the case in 1929, the percentage increasing to 41.1. The General Motors group also was responsible for a relatively higher volume, its percentage increasing to 34.3. The classification comprised of all other manufacturers did not make such a favorable showing, however, as in 1929, as its products contributed only 24.6 per cent to the entire output for the year.

The wholesale value of motor vehicles produced in the United States and Canada in 1931 was the lowest, with one exception, since 1918. The total of $1,430,000,000, compared with $2,126,792,145 in 1930, and with $3,576,645,881 in 1929, the highest figure ever reached by the industry. In 1921, the wholesale value sank to $1,261,666,550, and in 1918 was only $1,236,106,917, so that value of output in 1931 can be said to have maintained a fairly satisfactory showing, in view of the drastic mark-downs that were made in products of some of the major industries. The trade's record in this regard has been an unusually favorable one, as with a few exceptions, there was an almost uninterrupted increase in the wholesale value of motor vehicles from 1916, when it reached $1,082,378,000, until 1929, when it attained a peak of $3,576,645,881.

PRICES LOWEST IN HISTORY OF TRADE

That it should have declined in the years that followed was expected, in view of the curtailment of expenditures of all necessities. Besides, the more efficient methods of manufacture, the cheaper prices that have obtained throughout the entire list of raw materials, and the lowered selling costs, have made it possible for every dollar spent in the automobile industry to purchase at least one-third more than it did back in 1929.

Probably it will be easier to trace the trend of the prices of automobiles by comparing the average retail prices of passenger cars since 1921. In the latter year, this was $958. In 1922, increased production and competitive selling practices reduced the average price to $878. This decline continued in 1923, touching $808. Starting with 1924, however, there was a steady increase for four years, the average price rising to $824 in 1924, to $875 in 1925, to $925 in 1926, and finally reached an all-time high of $981 in 1927.

Since then, the year to year decline has been abrupt, the averege price sinking to $899 in 1928, $830 in 1929, $768 in 1930, and $765 in 1931, the lowest on record. With the active competitive selling campaigns which were started by two of the leading factors in the low-priced fields on April 1, and the downward revisions that have been made in both medium-priced and high-priced cars, the spread of the average from 1932 to 1933 doubtless will be somewhat wider than it was during the year preceding.

Total registrations of motor vehicles in the United States in 1931 numbered 26,124,319, as compared with 26,523,779 in 1930, and 26,501,443 in 1929. Although the number of registrations in 1930 was lower than in either of the two years preceding, it was 1,631,195 in excess of the 24,493,124 vehicles registered in 1928, and 24,412,980 above the total for 1914, when only 1,711,339 vehicles were registered. A splendid idea of the growth of the industry can be gained by comparing the comparatively poor record of 1931 with the 8,000 registrations back in 1900.

REGISTRATIONS UP IN SOME SECTIONS

In spite of the unfavorable comparison of 1931 with the two years preceding, there were 12 States that recorded an increase in the registration of motor vehicles. The largest gain was made in Oregon, where registrations were 9.0 per cent in excess of those of 1930. Nevada was second, with a gain of 7.5 per cent; Connecticut third, with a gain of 2.5 per cent; Rhode Island fourth, with 2.3 per cent; New Jersey fifth, with 2.0 per cent; Virginia sixth, with 1.2 per cent; Wyoming seventh, with 1.1 per cent; Maine eighth, with 0.5 per cent; Maryland ninth, with 0.13 per cent; Ohio tenth, with 0.08 per cent; District of Columbia eleventh, with 0.05 per cent; and New York occupying the same rank.

Since the first of the year, registrations have

been slightly higher than they were during the closing months of 1931. Returns from 28 States and the District of Columbia showed an increase of 6.1 per cent in February registrations of passenger cars, when compared with the January total. There was a decrease, however, of 39.9 per cent from the record of February, 1931. The completed figures for January, with the exception of Georgia, showed an increase over the December registrations of 11 per cent, but a decrease of 31.1 per cent from the January, 1931, figures.

For passing along the products of the manufacturer to the consumer, there are 4,125 wholesalers and 50,409 retailers scattered throughout the 48 States. Eliminating duplications, there are approximately 117,500 retail and 4,913 wholesale establishments supplying parts, accessories, shop and garage equipment, tools and electrical supplies.

The best sales reports currently are emanating from those districts where dealers are showing good management of their establishments, persistent cultivation of customer contacts, adroit advertising, and are increasing revenues by handling supplementary lines, such as radios, electrical refrigerators and automobile accessories.

Installment payments are keeping up surprisingly well, when cognizance is taken of the fact that more than 66 per cent of the new and used automobiles are sold on credit. Less than one-half of 1 per cent of automobile retail time sales of $65,055,866 handled by one institution in 1931 were more than two months past due at the close of the year. This indicates that time financing still is on a sound basis, and can be conducted just as profitably during a depression as in normal years. Bad debt losses for manufacturers of automotive parts and accessories

INSTALLMENT PAYMENTS GENERALLY FAVORABLE

for the first six months of 1931, as compiled by the National Credit Office, Inc., from the reports of 46 concerns, strike an average of .735 per cent. The heaviest loss was reported from Tennessee, North Carolina, South Carolina, Mississippi, Alabama, Georgia and Florida, while the lightest loss occurred in the geographical divisions which included Washington, Oregon, California and Nevada.

Collections have maintained a fair average for the last fifteen months. Because of the changed conditions during the past year or two, credits have been more discriminative both to retailers and to users. In addition, a more liberal policy has been in effect by the financing companies by reducing the amount of the monthly payments, and the renewal of contracts over a longer period of time. This has resulted in repossessions showing no marked increases over the total for 1930.

The average percentage of repossessions on new cars, with a down payment of 33.3 per cent, is 2.0, while on sales of used cars with a down payment of 35 per cent or less, the repossessions run to 5.6 per cent. For every thousand transactions, the number of persons absconding is 1.6 per cent.

The improved collection that has obtained for the past year has resulted in fewer failures among retailers and wholesalers, as well as in the manufacturing group, as is shown by the special compilation of R. G. Dun & Co. of insolvencies in the automobile industry:

Manufacturers of Automobiles

Year	Number	Liabilities
1930	196	$5,410,562
1931	114	2,832,260

Wholesalers and Retailers

Year	Number	Liabilities
1930	1,155	$23,733,170
1931	824	15,895,764

Production equipment and capital investment have been for several years far in excess of consumer demand, which accounts for the low profit and large operating losses of all but a few of the strong leaders in the industry during the last two years, and especially in 1931, when economic conditions caused a sharp and continued recession in sales.

In 1930, the net profits of 14 of the leading corporations totalled $161,828,000. In 1931, profits dropped to $99,165,000, a decline of 38.7 per cent from the total of the year preceding. On January 1, 1930, these same 14 corporations had a net worth of $1,332,941,000, which was lowered to $1,301,596,000 by January 1, 1931, a loss of 2.4 per cent.

The future of the industry is almost entirely a question of demand. The problems of invention, production and finance have been successfully solved. If larger production facilities were needed, capital, engineering skill and enterprise would meet the need promptly. For, those who developed this mighty industry and were developed by it have not been content to build transportation merely within the limits of the actual need or requirements of the public.

Instead, by their own initiative and of their own volition, they created new needs as well as new desires through the most intense competition that any industry of anywhere near the same importance has had to face. This phenomenal development was made possible by the profits of earlier years, to a large extent, having been reinvested.

SUMMARIES OF THE AUTOMOBILE TRADE

DETROIT The entire history of the automotive industry is confined to the last three decades, which witnessed its development from a crude beginning to the leading industrial organization in the United States, of which more than 75 per cent originated and remained in Michigan. Production equipment

continued on page 37

TRADE REVIEW OF WEEK

The beginning of the new quarterly period is giving promise of a moderate seasonal expansion. A general, though slight, upward trend is noticeable, and constructive adjustments are progressing favorably. The first entire week of real Spring weather stimulated general retail sales, with demand improved particularly for shoes, millinery, apparel, drapery, floor coverings and electrical appliances for household use. The sales totals of the leading stores were particularly encouraging last Saturday and early this week. Less complaint is being heard regarding the credit situation from retailers, as consumers have adopted the policy of confining their purchases largely to cash transactions, and are settling old obligations with retailers in a commendable manner. While there has been no disposition on the part of retailers in any line to crowd sales by offering extremely low prices, yet consumers are releasing money that had been held in banks or at home. In most districts a fair average of business is being recorded, and in a few instances sales of attractive goods are making a better showing than they did in the pre-Easter shopping period, when the weather was unfavorable for distributive gains.

DUN'S INDUSTRIAL INDICES

FACTORS REPORTED WEEKLY:

DUN REPORTS	1932	1931	P.C.
Bank Clearings..............	$5,695,302,000	$8,802,051,000	—35.3
Commodity Price Advances..	19	14	....
Commodity Price Declines...	33	33	....
Insolvencies (number).......	607	545	+11.4
INDUSTRIAL ACTIVITY			
†Crude Oil Output (barrels)..	2,154,000	2,252,100	— 4.3
Electric Power Output (kwh)	*1,480,208	*1,679,764	—11.9
Freight Car Loadings........	561,118	732,880	—24.0

FACTORS REPORTED MONTHLY:

AGRICULTURE			
‡Cotton Consumption (bales).	450,018	433,376	+ 3.8
Cotton Exports (bales)......	970,419	432,980	+124.1
DUN REPORTS			
Price Index Number..........	$138.316	$152.525	— 9.3
Insolvencies (number).......	2,951	2,604	+13.3
Insolvencies (liabilities).....	$93,760,311	$60,386,550	+55.3
FOREIGN TRADE			
Merchandise Exports........	155,000,000	224,346,000	—30.9
Merchandise Imports........	131,000,000	174,946,000	—25.1
INDUSTRIAL ACTIVITY			
Pig Iron Output (tons)......	967,235	2,032,248	—52.1
Steel Output (tons).........	1,459,547	2,502,366	—41.7
Unfilled Steel Tonnage......	2,545,629	3,965,194	—35.8
Building Permits............	$24,349,630	$66,299,070	—63.3

†Daily average production. ‡Domestic consumption. *(000) omitted.

ENCOURAGING GAIN IN CURRENT SALES

Current sales of drugs and drug sundries are holding up fairly well, although volume is under the seasonal level. Houses specializing in athletic merchandise and sporting goods state that early Spring trade is encouraging, with demand for staples fair. Some types of sporting goods, especially baseball and golfing equipment are quite active, but trade in builders' hardware and contractors' supplies continues to lag. The market for paints and paint materials is improving, but the individual orders still are small.

At wholesale, the physical volume of sales this week was ahead of that for the comparative period a year ago, particularly with the larger houses. Some of the resident buyers for ready-to-wear lines report a disposition on the part of the public to avoid the cheapest grades, preferring the medium-priced, better-made merchandise. A brisk volume of forward ordering for blankets and similar items for Fall delivery has developed. Millinery promotions at retail are making fair headway and re-orders for a variety of styles have been coming in steadily. The increase in the number of wholesale orders for paper are indicative of returning interest in advertising and publicity work. The arrival of Spring has brought some measure of encouragement to farming communities. Wholesale commitments have been delayed so long that retail stocks in rural districts have been brought down to the irreducible minimum. The first quarter of the year has shown, on the whole, less deterioration in trade than was expected, the past month holding fairly level with those just preceding, and in units, if not in dollar value, maintaining an even more steady movement.

MOTOR SALES DRIVE AIDING INDUSTRIES

The automotive industry is staging its Spring trade drive, with pronounced interest being shown in the new models, and attendance at the various exhibits has been large. It is too early to ascertain what the results will be in volume, but there is evidence of considerable buying being done, and dealers handling the leading lines are encouraged over the prospects. Steel mill operation is averaging around 23 per cent, with a slight improvement in demand.

FEWER FAILURES THIS WEEK

Insolvencies in commercial lines continue nearly as heavy as they were last month. The total in the United States this week of 607 compares with 610 last week, 628 the preceding week, and 545 in the first week of April a year ago. The decrease this week is wholly in the East and South; the number in the West and for the Pacific Coast States exceeds those of last week.

Of this week's failures in the United States, 400 had liabilities of $5,000 or more, in each instance, against 390 last week, 431 in the preceding week and 343 last year. There was an increase this week, compared with last week, for all sections of the country except the South, where the number was less.

Canadian failures this week, as reported by R. G. Dun & Co., numbered 41, against 44 last week, 60 the preceding week, and 30 last year.

SECTION	Week Apr. 7, 1932 Over $5,000	Total	Week Mar. 31, 1932 Over $5,000	Total	Week Mar. 24, 1932 Over $5,000	Total	Week Apr. 9, 1931 Over $5,000	Total
East	149	222	146	238	189	262	150	201
South	96	151	103	163	96	145	78	131
West	108	156	96	140	105	154	82	140
Pacific	47	78	45	69	41	67	33	73
U. S.	400	607	390	610	431	628	343	545
Canada	26	41	23	44	37	66	16	36

DUN'S INSOLVENCY INDEX STILL HIGH

Dun's Insolvency Index for the first week of April shows approximately the usual seasonal decline from that for March. It continues high, however, being much above the Insolvency Index of the two preceding years, and even compares unfavorably with April, 1922, when the situation also was very much strained by disturbed market conditions. Proportioned to the number of concerns in business, Dun's Insolvency Index for this week was 151.8, against 159.7 for March.

Last year, there was a somewhat greater improvement in the record of insolvencies at this time than appears now; the index then was 131.2, in comparison with 146.0 for March. The ratio was considerably higher this year; and, furthermore, the reduction for April from March was only 7.9 points, whereas a year ago it was 14.8 points. Taking the five-year average index, 1925-1929, inclusive, as representing a normal condition for this period, the decline from March to April then was only 3 points.

Dun's Insolvency Index for the United States covering the past eight months makes a rather severe showing. Much of a disturbing nature occurred during that time. From the low point of 114.0 for September last, there was a steady advance each month to 201.8 for January, the latter being 87.8 points higher than September. The succeeding decline, which is customary, was to 151.8 for April, a reduction of 50.0 points. The five-year average period, 1925-1929, inclusive, shows for September 97.2; 139.5 for January, which was 42.3 points higher, and 107.4 the succeeding April. The latter was a decline of 32.1 points.

The figures printed below are computed on the basis of the number of commercial insolvencies to each 10,000 business firms in the United States:

	Monthly 1932	Monthly 1931	Monthly 1930	5-Year Average 1925-29	Ratio	Monthly 1922	Monthly 1921
April	151.8	131.2	122.5	107.4	123.0	137.3	93.8
March	159.7	146.0	128.4	110.4	126.6	144.8	98.1
February	165.9	169.0	146.7	128.2	147.0	168.7	128.4
January	201.8	188.4	150.2	139.5	160.0	173.7	126.2
December	158.8	140.7	114.7	112.0	128.3	159.6	114.0
November	141.2	127.0	101.1	107.1	122.8	132.8	112.3
October	134.4	117.0	100.0	99.2	113.8	109.8	107.3
September	114.0	112.9	90.2	97.2	109.5	94.5	98.7

BANK CLEARINGS SHOW SLIGHT GAIN

Bank clearings for the first week of April show some improvement over the total of the last week of March, there was also an increase a year ago, although it was not so large, owing probably to a difference in the dates at that time. Total clearings this week for all leading cities in the United States of $5,695,302,000 still show a heavy loss from the record of last year, the decline this week being 35.3 per cent. At New York City, clearings were $3,899,562,000, a reduction of 38.9 per cent, while the total for the cities outside of New York of $1,795,740,000 was 25.8 per cent smaller.

The quarterly settlements due at this time naturally would increase bank clearings over those of March, and the amount this week is larger than that of last week by $1,639,756,000, a year ago the increase was only $276,210,000.

The figures at leading cities, compared with those of last year, as compiled by R. G. Dun & Co., are printed herewith; also average daily figures for each month this year:

	Week April 6, 1932	Week April 8, 1931	Per Cent
Boston	$257,000,000	$441,000,000	—41.7
Philadelphia	371,000,000	333,000,000	—11.4
Baltimore	69,386,000	81,129,000	—14.5
Pittsburgh	98,995,000	139,276,000	—29.0
Buffalo	34,100,000	54,600,000	—37.5
Chicago	290,000,000	440,600,000	—34.2
Detroit	68,574,000	122,779,000	—44.1
Cleveland	78,074,000	111,333,000	—29.9
Cincinnati	46,396,000	58,000,000	—20.0
St. Louis	67,400,000	94,800,000	—28.0
Kansas City	63,014,000	82,099,000	—23.2
Omaha	23,868,000	33,790,000	—26.4
Minneapolis	48,164,000	59,686,000	—19.3
Richmond	26,583,000	33,292,000	—21.5
Atlanta	31,000,000	36,600,000	—15.3
Louisville	16,621,000	23,813,000	—30.2
New Orleans	30,719,000	37,986,000	—19.2
Dallas	25,404,000	34,960,000	—27.3
San Francisco	108,100,000	142,000,000	—23.9
Portland	18,938,000	26,973,000	—29.9
Seattle	22,404,000	30,910,000	—27.5
Total	$1,795,740,000	$2,418,626,000	—25.8
New York	3,899,562,000	6,383,425,000	—38.9
Total all	$5,695,302,000	$8,802,051,000	—35.3
Average Daily:			
April to date	$843,562,000	$1,630,957,000	—40.1
March	970,338,000	1,409,172,000	—46.5
February	803,845,000	1,389,211,000	—42.1
January	996,005,000	1,414,552,000	—29.6

FAILURES FOR MARCH AT HIGH LEVEL

In compiling the weekly returns of commercial insolvencies for March, it was plainly foreshadowed that a numerical increase would be shown over any previous similar month. The defaults for the latest month numbered 2,951, with $93,760,311 of indebtedness. On no occasion prior to this year has the number of failures for March been so numerous, but the liabilities were surpassed in 1924, when a total of $97,651,026 was reported.

Compared with the high record for January, this year, when there were 3,458 failures, a decrease of 14.7 per cent is shown. Naturally, with more business days during March, there was an increase over the February figure, which amounts to 8.0 per cent. This is a larger ratio of increase than is usually disclosed at this period.

In comparison with the defaults of March, last year, when 2,604 were reported, an increase of 13.3 per cent appears and one of 25.7 per cent over the figures for March, 1930. The liabilities for March this year were heavier than for those of last year by about 55.3 per cent, and also show an increase of 64.9 per cent over those of 1930.

Insolvencies of unusual size, those of $100,000 or more in each instance, are responsible for more than 50 per cent of the total indebtedness.

Monthly and quarterly failures, showing number and liabilities, are contrasted below for the periods mentioned:

	Number			Liabilities
	1932	1931	1930	1932
March	2,951	2,604	2,347	$93,760,311
February	2,732	2,563	2,262	84,900,106
January	3,458	3,316	2,759	96,860,205
1st Quarter	9,141	8,483	7,368	$275,520,622
	1931	1930	1929	1931
December	2,758	2,525	2,037	$73,212,950
November	2,195	2,031	1,796	60,659,612
October	2,362	2,124	1,822	70,660,436
4th Quarter	7,315	6,680	5,655	$204,532,998
September	1,936	1,963	1,568	$47,255,650
August	1,944	1,913	1,762	53,025,132
July	1,983	2,028	1,752	60,997,853
3rd Quarter	5,853	5,904	5,082	$161,278,635
June	1,993	2,026	1,767	$51,655,648
May	2,248	2,179	1,897	53,371,212
April	2,383	2,198	2,021	50,868,135
2nd Quarter	6,624	6,403	5,685	$155,894,995
March	2,604	2,347	1,987	$60,386,550
February	2,563	2,262	1,965	59,607,612
January	3,316	2,759	2,535	94,608,212
1st Quarter	8,483	7,368	6,487	$214,602,374

ANALYSIS OF MARCH INSOLVENCY RECORD

A further analysis of the March insolvency record discloses numerical increases in the manufacturing, trading and "other commercial" groups, over those for the same month in 1931. The same is true of the liabilities, a total of $31,293,421 for the manufacturing class in March of this year comparing with $24,072,069 in 1931. The liabilities in the trading group amounted to $44,117,955, against last year's figure of $30,347,959, and the "other commercial" defaults involving $18,348,935 of liabilities are about 40 per cent above the $5,966,529 recorded for March, 1931.

In the manufacturing division, four of the fifteen classifications are a little below the number for last year, namely: Hats, gloves and furs, printing and engraving, leather, shoes and harness, and the miscellaneous group.

Among traders, failures of tobacco concerns are not so numerous, the group which is composed of stores selling books and papers makes a more favorable showing, as does also the "all other," or miscellaneous division. The liabilities are smaller in five of the fifteen manufacturing divisions, while in the trading class the amount of indebtedness is lower in six branches of business.

A less favorable exhibit appears in the "other commercial" field for March this year, in comparison with the same month of 1931. The number was 12.3 per cent higher, and the liabilities, which also were considerably in excess of the total reported for last March, showed an increase of 40.0 per cent. The latter increase is due to a number of defaults of unusual size. Listed under the heading of "other commercial" are failures among real estate firms, stock and bond brokers and manufacturers' agents; also laundries, garages and bus lines.

ANALYSIS OF BUSINESS FAILURES BY LINES OF BUSINESS—MARCH, 1932

	Number			Liabilities	
MANUFACTURERS	1932	1931	1930	1932	1931
Iron, Foundries and Nails	22	18	9	$2,287,232	$681,395
Machinery and Tools	58	34	33	3,126,584	1,802,380
Woolens, Carpets and Knit Goods	2	1	2	21,043	40,000
Cottons, Lace and Hosiery	5	1	3	253,298	9,645
Lumber, Building Lines, Etc.	86	61	111	5,946,678	3,634,543
Clothing and Millinery	80	51	60	1,710,728	1,003,807
Hats, Gloves and Furs	18	26	16	957,718	652,286
Chemicals and Drugs	11	5	11	178,021	224,506
Paints and Oils	6	..	..	183,687	......
Printing and Engraving	24	27	16	981,929	988,124
Milling and Bakers	44	37	42	1,346,889	625,534
Leather, Shoes and Harness	19	23	11	2,389,888	382,002
Tobacco, etc.	9	9	3	132,991	455,045
Glass, Earthenware and Brick	14	7	11	497,905	508,971
All Other	244	282	293	11,828,835	13,063,836
Total Manufacturing	642	582	621	$31,293,421	$24,072,069
TRADERS					
General Stores	158	152	124	$5,582,384	$2,298,115
Groceries, Meat and Fish	405	317	292	4,159,598	3,749,332
Hotels and Restaurants	114	97	93	7,889,113	1,793,874
Tobacco, etc.	26	27	28	218,668	303,922
Clothing and Furnishings	321	307	246	4,035,571	4,004,978
Dry Goods and Carpets	171	149	118	4,352,593	2,813,841
Shoes, Rubbers and Trunks	88	85	65	859,603	1,020,913
Furniture and Crockery	139	81	73	4,667,569	1,592,060
Hardware, Stoves and Tools	85	74	77	1,116,362	1,535,067
Chemicals and Drugs	133	98	84	1,676,481	1,759,503
Paints and Oils	15	9	15	252,818	38,454
Jewelry and Clocks	92	54	39	1,337,071	760,015
Books and Papers	14	28	13	138,836	322,727
Hats, Furs and Gloves	28	8	12	431,965	278,549
All Other	319	357	314	7,399,323	8,136,609
Total Trading	2,108	1,843	1,587	$60,386,550	$56,846,015
Other Commercial	201	179	139	18,348,935	5,966,529
Total United States	2,951	2,604	2,347	$93,760,311	$60,386,559

FIRST QUARTER RECORD OF INSOLVENCIES

A summary of the insolvency record for the first quarter of 1932 discloses a higher mortality among business concerns throughout the United States than had been anticipated. Both a liability and numerical increase was shown for the last three months over the exhibits of any preceding first quarter on record.

The totals for January, February and March of this year, as compared with these same months of 1931, are:

	1932 No.	1931 No.	Per Cent	1932 Liabilities	1931 Liabilities	Per Cent
January	3,458	3,316+	4.3	$96,860,205	$94,608,212+	2.4
February	2,732	2,563+	6.6	84,900,106	59,607,612+	42.4
March	2,951	2,604+	13.3	93,760,311	60,386,550+	55.3
Total	9,141	8,483+	7.8	$275,520,622	$214,602,374+	28.4

FAILURE AVERAGES OF FIRST QUARTER

In examining the insolvency record for the first quarter back to 1900, it will be noted that during all periods of economic stress, the average liabilities of failures mounted. Some encouragement, however, is provided by the fact that the average liabilities for the first quarter of 1932, amounting to $30,141, was rivalled by higher totals on two previous occasions, namely 1921 and 1924.

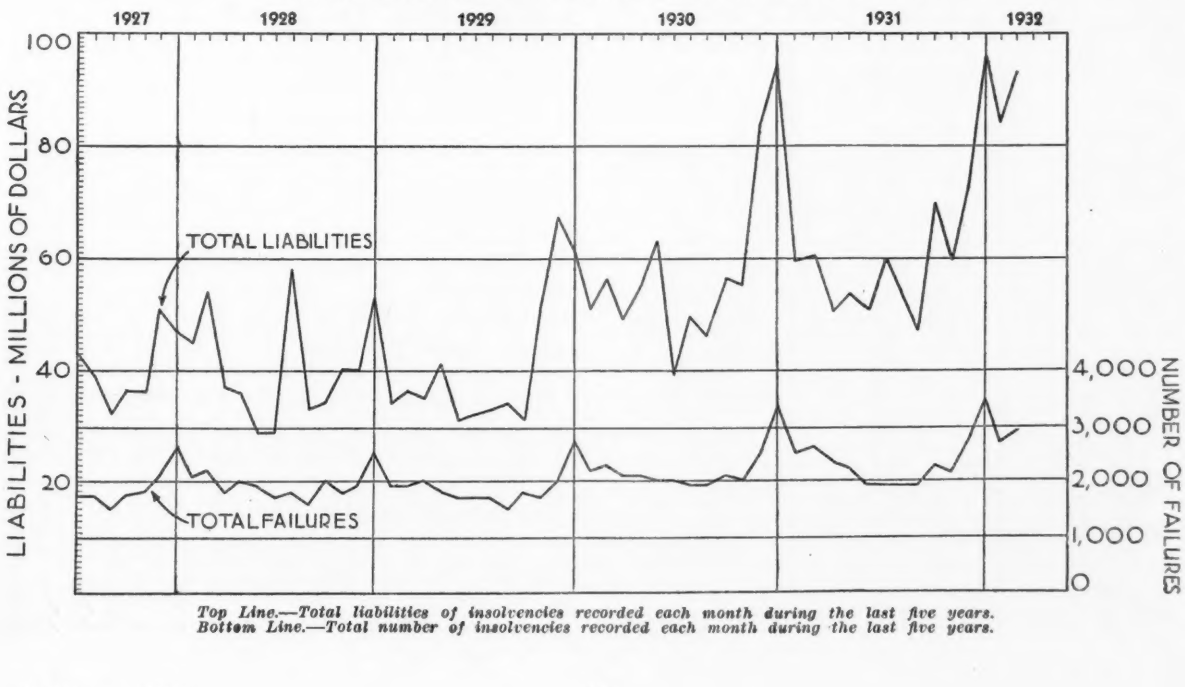
A decided increase in the number and liabilities of failures for the first quarter of 1908 was a reflection of the unsettled conditions following the panic of 1907. The average of liabilities for 1908 was $15,422. During 1910, the average rose to $20,732 and then declined until 1913-1914, when an average of $17,265 was reached. In 1919-1920, an increase also appeared.

The highest average of liabilities ever recorded for a first quarter was that of 1921 which was $37,038; this was followed by a decrease until the year 1924 when it stood at $32,691. The lowest average was that of $8,760 recorded for the first three months of 1905.

RECORD OF FIRST QUARTER INSOLVENCIES

Years	No. Failures	Amount of Liabilities	Average Liabilities
1900	2,894	33,022,573	$11,411
1901	3,335	31,703,486	9,506
1902	3,418	33,731,758	9,869
1903	3,200	34,344,433	10,732
1904	3,344	48,066,721	14,374
1905	3,443	30,162,505	8,760
1906	3,102	33,761,107	10,883
1907	3,136	32,075,591	10,228
1908	4,909	75,706,191	15,422
1909	3,850	44,460,950	11,548
1910	3,525	73,079,154	20,732
1911	3,985	59,651,761	14,969
1912	4,828	63,012,323	13,051
1913	4,458	76,832,277	17,235
1914	4,826	83,221,826	17,265
1915	7,216	105,703,355	14,648
1916	5,387	61,492,746	11,415
1917	3,937	52,307,099	13,286
1918	3,300	49,780,300	15,085
1919	1,904	35,821,052	18,813
1920	1,627	29,702,499	18,256
1921	4,872	180,397,989	37,038
1922	7,517	218,012,365	29,002
1923	5,316	138,231,574	26,002
1924	5,655	184,865,571	32,691
1925	5,969	128,481,780	21,525
1926	6,081	108,450,339	17,836
1927	6,643	156,121,853	23,502
1928	7,055	147,519,198	20,910
1929	6,487	124,268,608	19,157
1930	7,368	169,357,551	22,986
1931	8,483	214,602,374	25,298
1932	9,141	275,520,622	30,141

Trend of Insolvencies in the United States for the Last Five Years



Top Line.—Total liabilities of insolvencies recorded each month during the last five years.
Bottom Line.—Total number of insolvencies recorded each month during the last five years.

GENERAL PRICE STRENGTH STILL CONTINUES

Dun's Index Number of Commodity Prices stood at $138.316 on April 1st. This figure compares with $139.533 on March 1st. The decrease between the two dates was $1.217, or 0.9 per cent. This is a very moderate decline and indicates a continuation of price firmness in practically all of the major groups.

All classifications of Dun's Index Number participated in the decline of $1.217 from March 1 figure with the exception of the Metal and Miscellaneous divisions. The Metal figure, at $19.281, was about 56c. higher than on the first of the preceding month, while the increase in the Miscellaneous price average was about 47c. Declines in wholesale prices exceeded advances throughout the month. The second week showed evidence of strength with advances exceeding declines. The reverse was true during the third and fourth weeks, with the final quarter showing advances at 13, while declines stood at 31.

Practically all classifications of domestic coal were reduced during the month. A number of important garden produce groups were noticeably stronger. These are both normal developments of this season of the year and they occasioned no surprise for this reason.

In the Breadstuffs group a drop of 29c. accounted for the slight loss in this division. Meat suffered a somewhat heavier falling off, losing a total of $1.04 under the April 1 figure. The lowered index for the Dairy and Garden group registered 23c. off and that for the Other Food group 63c. off. Clothing was the least affected of all the groups, showing a drop of only 6c.

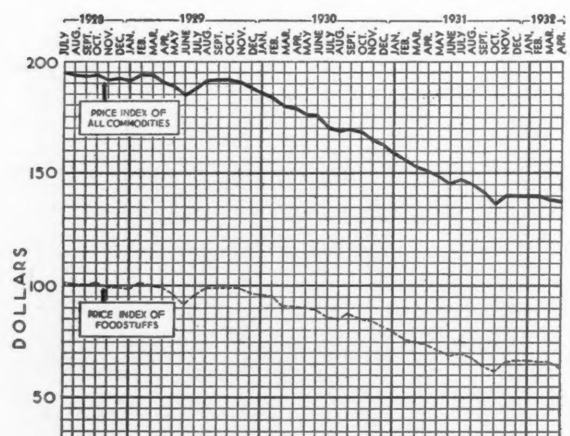
These decreases were not of important proportion, as shown by the very moderate change in the index number for the month. In all groups prices fluctuated during the course of the month, but the net change was small. The most important decline in the Foodstuffs group occurred in grains, although there was also some softening of prices in pork and beef. Hogs, hams and bacon were a little higher than a month ago.

An element of strength in the Clothing group was the higher quotations for various hide and leather categories but this did not affect the total for the group perceptibly, being offset by weakness in silk prices and by lower quotations for some of the more active wool averages.

A few important metals continued their downward trend but they were not sufficient to pull the entire Metal group average below the figure for last month. There was general firmness in structural and fabricated iron and steel products, while copper and tin were also definitely stronger. Lead was one of the more important metals the price of which showed a fractional loss from last month.

The entire price picture is one of confused trends. Within individual groups there will be marked strength in a few categories and decided weakness in others, with little change resulting.

DUN'S COMMODITY PRICE INDEX



	Bread-stuffs.	Meat	Dairy & Garden.	Other Food.	Cloth-ing.	Metals.	Miscel-laneous.	Total.
	$	$	$	$	$	$	$	$
1930, Jan. 1..	33.801	22.622	21.618	18.238	33.297	20.943	35.994	186.513
Feb. 1..	32.608	22.873	21.136	18.447	32.760	20.796	35.806	184.426
Mar. 1..	32.297	22.180	20.085	18.202	32.015	20.558	35.602	180.939
Apr. 1..	31.719	22.036	19.836	18.184	31.668	20.430	35.421	179.294
May 1..	30.484	22.084	19.959	18.107	31.447	20.286	35.369	177.736
June 1..	30.546	21.243	19.983	17.944	31.265	20.006	35.253	176.240
July 1..	28.345	20.070	19.692	17.998	30.657	19.925	34.911	171.598
Aug. 1..	29.771	17.999	19.551	17.890	29.795	19.846	34.500	169.352
Sept. 1..	31.946	18.874	19.683	17.668	28.807	20.001	33.995	170.934
Oct. 1..	28.984	18.984	20.190	17.724	28.487	20.072	33.768	168.209
Nov. 1..	27.349	18.634	20.223	17.890	28.109	19.659	33.324	165.188
Dec. 1..	27.026	19.057	18.978	17.688	27.703	19.571	32.997	163.020
1931, Jan. 1..	25.368	19.841	18.071	17.378	27.019	19.351	32.691	159.719
Feb. 1..	25.244	17.670	16.949	17.554	26.702	19.348	32.572	156.039
Mar. 1..	24.501	16.749	16.884	17.342	26.498	19.322	32.250	153.546
Apr. 1..	24.306	16.196	16.878	17.321	26.465	19.374	31.985	152.525
May 1..	23.521	15.673	15.893	17.379	26.168	18.919	31.866	149.419
June 1..	22.816	14.841	15.687	16.616	25.507	18.965	31.453	145.885
July 1..	23.105	14.836	15.692	16.610	25.934	18.955	31.459	146.591
Aug. 1..	22.098	14.571	15.306	16.653	26.868	18.816	31.286	145.598
Sept. 1..	19.982	13.983	15.471	16.418	26.091	18.605	31.174	141.724
Oct. 1..	17.579	13.592	14.951	16.331	24.454	18.591	30.918	136.416
Nov. 1..	19.474	14.596	15.898	16.851	24.176	18.550	30.824	140.369
Dec. 1..	18.266	15.483	16.613	16.872	23.003	18.498	31.666	140.401
1932, Jan. 1..	17.291	15.623	17.869	16.306	22.989	18.429	31.674	140.681
Feb. 1..	16.795	14.985	18.240	16.652	22.702	18.839	32.131	140.344
Mar. 1..	16.745	14.856	18.080	16.690	22.419	18.714	32.029	139.533
Apr. 1..	16.452	13.817	17.847	16.060	22.361	19.281	32.498	138.316

STEEL PRODUCTION EXPANDING

by E. M. JONES

Preparations are being made for the larger specifications from the automobile industry as a result of the nation-wide selling campaign launched last week-end. Structural and miscellaneous requirements form bulk of current tonnage, as railroad purchasing still is very limited. Chicago fabricators encouraged.

Steel production records for the first quarter were rather disappointing, seasonal expansion failing to materialize and operations barely equalled the rate of previous quarter which had registered a low level. The trade, however, is hopeful that the drive for automobile business may be productive of larger specifications from this source to afford better finishing schedules. Miscellaneous buying remains limited and spotty, mainly against actual current requirements.

Public works and other structural projects are figured to take increasing tonnages of shapes and plates, though volume has been much under normal. Railroad purchasing has continued in limited volume. Tin plate production now is estimated at 45 per cent of total capacity, with some mills in the Pittsburgh district bettering this average. Sheet mills, on the whole, have not been able to increase schedules, but improvement is expected by the end of the month, jobbers of roofing sheets being disposed to buy a trifle more freely. Current shipments of finished steel descriptions represent mainly liquidation of low-priced tonnages, and new business, as a rule, has been taken at a moderately higher level; second-quarter quotations are holding fairly steady.

SECOND-QUARTER PRICES ADVANCE

Cold-finished steel bars are quoted $2, Pittsburgh. Merchant bars, structural shapes and plates are $1.50, Pittsburgh. Wire products are maintained at $1.95 per keg, Pittsburgh, for nails and $2.20, Pittsburgh, for plain wire. Hot-rolled sheets are quoted $1.55, Pittsburgh, and galvanized $2.85, Pittsburgh. Annealed sheets No. 24 are $2.20, Pittsburgh. Scrap consumers have placed some business for second-quarter needs, but wide market interest still is lacking. Heavy melting steel at Pittsburgh is quoted around $10.25 per ton. Foundry operations remain quite low, demands for merchant pig iron being restricted to current requirements; forward contracting is negligible. At Pittsburgh furnace, $16 is quoted on foundry, Bessemer and malleable grades.

To date the automobile industry has increased its steel orders but little, if at all, but that is not significant on account of the celerity with which steel can be bought and put into cars. More light on the matter is expected next week, for it is thought that automobile makers will be able to gauge very promptly the reaction of the public to the sales campaign which was inaugurated last week-end. Complete success of the movement would raise the sum total of steel production a few per cent. While automobile trade buying of steel would be very welcome, as a matter of choice the steel producers would prefer an increase to come from other quarters, as that would reflect an improvement in general conditions and promise continuance and permanence, while at best the active automobile season lasts only a few months.

Reports as to railroad conditions and prospects are by no means unfavorable. Practically week by week railroads have been showing a little more interest in steel, although their actual orders do not yet run into much tonnage. Of the relatively small production of steel at the present time, the railroads are not taking anything like the 16 to 17 per cent they were credited with taking during the much larger steel production in 1928 and 1929. Steel is going more into the miscellaneous uses which cannot be studied in detail. While tin plate production is off from the record of previous years, it is absorbing much more than its usual percentage, and it is one line which seems certain to show a large increase this quarter over last, the making of tin plate for packers' cans being more or less deferred by various influences.

Belief that the favorable reception given the new low-priced automobiles would result in better business from the automotive industry has kept the local steel makers in a fairly optimistic mood. Meanwhile, actual business fluctuated according to the line, with the net result in bar, shape and plate specifications and orders about equal to those of recent weeks. Ingot output renewed at 22 per cent of capacity, with a possible dip hinted for the end of the week. Railroad specifications improved slightly, but were confined to miscellaneous lots and track fastenings. A few fair-sized inquiries for track material also developed.

IMPROVED OUTLOOK IN CHICAGO FIELD

BUSINESS CONDITIONS—REPORTED BY

ATLANTA More seasonable weather has revived the sale of Spring merchandise, though sales still are not up to the normal average, and prices are low. Wholesalers of dry goods and millinery report fair sales in small amounts.

BALTIMORE Reports emanating from the leather market continue to be heartening, and the footwear industry gradually is improving its status. Some divisions of the hardware trade report an improvement, and there is better buying of paint and wallpaper. The furniture line continues to drag, however, and jobbers of radios and radio supplies have just announced price cuts, in order to stimulate buying.

Current sales of drugs and drug sundries are holding up fairly well, although the volume is under the seasonal level. Chain-stores and mail-order houses are not faring so well as they did a year ago, but houses specializing in athletic merchandise and sporting goods state that early Spring trade is encouraging.

BOSTON Retail trade is somewhat more active this week, but the wholesale and manufacturing lines fail to show much improvement. The wool market seldom has seen a duller period, and the feeling of uncertainty has resulted in a drop in quotations. Carpet manufacturers have bought moderate amounts of wool at somewhat lower prices.

The New England mills are taking very little raw cotton at present, although consumption by New England manufacturing establishments showed an increase in February of about 7 per cent over the January record.

Building permits in New England show a slight increase over the record of the past several weeks. Sales of hardwoods are increasing slowly each week. Considerable interest is being displayed in the new low-priced automobiles; but, as yet, deliveries have not started.

BUFFALO Wholesalers in nearly all lines are displaying the same reluctance that is shown by consumers and retailers and are content to draw on producers for supplies as they are needed. There appears to be some slight improvement in general business which is reducing, to a some small extent, the number of unemployed.

CHICAGO The after-Easter trade has been excellent as to physical volume, both at wholesale and retail. The retail showing has been hampered part of the time by adverse weather, but the sales totals last Saturday and early this week were encouraging. Demand was active for ready-to-wear and other seasonal items, and for house-furnishings and draperies.

At wholesale, the physical volume of sales early this week was ahead of that for the like period last week and a year ago with the larger houses. A brisk volume of forward ordering for blankets and similar items for Fall delivery developed. One Michigan buyer for ready-to-wear lines noted a disposition on the part of the public to avoid the cheapest lines and buy the medium-priced, better-made dresses.

CINCINNATI The beginning of the new quarterly period gives promise of a moderate seasonal expansion at least. Spring activities relating to outdoor work now are getting under way, but so far the movement of supplies for this purpose has not equalled last year's volume.

Wholesale dry goods markets are steady. Except in cases where prices are guaranteed, but little interest has been displayed in future commitments. Outside work has developed slowly in the paint industry, but store trade has picked up materially. The wallpaper division also is showing the usual seasonal improvements, but re-papering and decorating work so far has not been normal.

CLEVELAND Wholesale and retail trades both took on some added activity with the settling down of Spring weather, but the volume is low compared to the seasonal wave of previous years. Some lines have depreciated as much as one-third. Furniture and household furnishings marked the leading range for decline, followed by groceries, dry goods, wearing apparel, hardware and drugs. Reduction of sales is more noticeable in dollar volume than in commodity units.

DETROIT Considerable hope is being engendered by the struggle for supremacy in the low-priced automobile field between the two leaders and their nearest rival. Sharp price-cutting was made as soon as the Ford prices became known, and a good volume of business is looked for immediately, the benefit of which will be felt in all lines. Cars are selling fast this week, but it is too soon to make a comprehensive survey of the market.

KANSAS CITY Current trade in dry goods, hardware and drugs is reported to be moving along without much change; activity is characterized as slow. During the past week, there was a slight increase in wallpaper, paints, millinery and women's wear, with houses reporting trade as fair. Various reports indicate only a slight expansion in employment.

LOS ANGELES A general, though slight, upward trend has been noticeable during the past few weeks and constructive adjustments are progressing favorably. During the current week, general business held steady, with improvement, in a few instances.

DISTRICT OFFICES OF R. G. DUN & CO.

Local department stores, through sales, did a satisfactory volume but purchases in the market still are confined to current needs. Manufacturers of women's wear still are busy on Spring and Summer lines, and orders, although on an average smaller than usual, are more frequent and total volume to date almost equals that for the same period a year ago.

LOUISVILLE Better weather has helped almost all branches of retail trade, and some merchants have recorded the largest sales of any week thus far this Spring. Industrial lines are slow in getting into production, particularly those supplying railroad requirements, but outlook is somewhat better than it was a few weeks ago. Sales of paints are fully up to the record of the early months of the year, but do not reveal the usual seasonal increase.

MEMPHIS Only a slight seasonal pick-up is reported in certain lines of trade. A reactionary price trend for cotton, together with the lateness of the season, contributes to the inclination to be conservative in making purchases. Disappointment that the approach of Spring was not bringing the expected improvement in business and sentiment also has contributed to the general inactivity.

NEWARK There has been no apparent improvement in the volume of retail trade, which continues to suffer in comparison with the record of the last several seasons. Spring trade has accelerated demand slightly, though necessities, rather than luxuries, now find the more ready sale. The demand for shoes and footwear generally is fairly well sustained. Furniture and household goods are quiet, even with marked concessions in price in many instances. The demand for radio sets and parts is light.

PHILADELPHIA Spring retail trade now is getting into its real stride, and there is less distress merchandise on the market than was noted a few weeks ago. The silk trade is about up to the level of last year, as far as yardage is concerned, but dollar volume is about 15 per cent less. Movement of men's clothing has been fair, particularly in the lower-priced brackets. While there has been a brisk increase in the demand for draperies, purchases are limited largely to the cheaper grades. There has been a slight improvement in the millinery business.

PITTSBURGH Seasonable weather and low prices of merchandise are stimulating demand for Spring wearing apparel, and retailers are handling a somewhat larger volume of business. Wholesalers report a slight improvement in demand for women's dresses, but largely of the cheaper lines. The volume of sales still is somewhat lower than it was a year ago. Prices of men's clothing have been materially reduced and sales have shown a slight increase.

There also has been a moderate improvement in the demand for men's hats, as well as for furnishing goods.

PORTLAND, Ore. A gradual improvement in lumber business continues. Orders are somewhat above production, which tends to improve prices. Spring has brought a slight improvement in the retail jewelry trade, mainly from school and college patronage. Women's wear and millinery report better conditions than in previous years.

Milder weather has increased all outdoor activities, but the full benefit from this source has been retarded by prevalent rains. The movement of fruit and vegetables has been active, mainly potatoes and onions.

ROCHESTER Building permits issued in Rochester during March aggregated $293,325, against $570,629 in March, 1931. Commercial and industrial building for March, 1932, showed an increase over that for the corresponding month last year. Cold weather has retarded the sale of Spring apparel, which is being extensively displayed. Employment in Rochester factories during March is expected to show little change from the February figures.

ST. LOUIS Business conditions in this district have not shown any marked changes during the past week although, with the return of seasonal temperatures, some improvement is expected by manufacturers, and the wholesale and retail trades. The market for paints and paint material, while being confined to small orders, is improving. Efforts are being made to increase the sale of automobiles and trucks with the result that some gains have been made.

TOLEDO Spring trade shows less than a seasonal increase in retail distribution, although liquidating sales are in evidence in several lines of dry goods and clothing for both men and women. Building activities remain very quiet; electric power consumption is about even with the record of the previous month in quantity used.

TWIN CITIES (St. Paul-Minneapolis) Unfavorable weather conditions have continued to retard the progress of Spring business. At wholesale, there has been a fair amount of inquiry for road-building contractors' equipment; other lines have not reported any material change in the past few weeks.

Many travelling salesmen are temporarily inactive, on account of the impassable country roads. Retail trade in some of the larger centers has held up fairly well, but unit sales are below the amounts for the same number of months last year.

WEEKLY QUOTATION RECORD OF

The more stabilized trend of commodity prices during the past month again was in evidence this week. Advances were slightly more numerous, and the few additions to the number of declines were furnished largely by first-of-the-month alterations in the coal and lumber listings. As compared with

FOODSTUFFS

	Net Change	This Week	Last Week	Last Year
BEANS: Pea, choice.....100 lbs		2.65	2.65	4.85
Red kidney, choice ..... " "	−10	2.25	2.35	9.00
White kidney, choice.... " "		4.50	4.50	6.75
COFFEE: No. 7 Rio.........lb	+⅛	7⅜	7¼	5¼
" Santos No. 4..... "	+⅜	9¼	8⅞	8¾
DAIRY:				
Butter, creamery, extra......lb	−2	20½	22½	28
Cheese, N. Y., fancy........ "		17	17	17
Eggs, nearby, fancy........doz		22½	22½	27½
Fresh, gathered, extra firsts. "	−12	19	19½	23
DRIED FRUITS:				
Apples, evaporated, fancy....lb		8½	8½	7¾
Apricots, choice .... "		8¾	8¾	13
Citron, imported............. "		17	17	16½
Currants, cleaned, 50-lb. box. "		11¼	11¼	11¼
Lemon Peel, Imported...... "		16	16	15
Orange Peel, Imported....... "		17½	17½	16
Peaches, Cal. standard...... "		7	7	7¾
Prunes, Cal. 40-50, 25-lb. box. "	−½	4¼	4¾	6¾
FLOUR: Spring Pat.....196 lbs	+40	4.30	3.90	4.35
Winter, Soft Straights.. " "	+15	3.35	3.20	3.85
Fancy Minn. Family.... " "	+20	5.20	5.00	5.80
GRAIN: Wheat, No. 2 R......bu	+4¼	72¾	68½	96
Corn, No. 2 yellow............ "	+⅝	48⅝	48	77⅝
Oats, No. 3 white............ "	+1¾	34¼	32½	37½
Rye, No. 2, F.O.B............ "	+2⅝	63¾	61⅛	43¼
Barley, malting............. "	+⅞	64⅞	64	57⅞
Hay, No. 1.............100 lbs		95	95	1.35
HOPS: Pacific, Pr. '31........lb		19	19	22
MOLASSES AND SYRUP:				
Blackstrap—bbls. ....gal		9¾	9¾	12
Extra Fancy.............. "		54	54	54
PEAS: Yellow split, dom. 100 lbs		5.00	5.00	4.00
PROVISIONS, Chicago:				
Beef Steers, best fat....100 lbs	+10	9.35	9.25	10.00
Hogs, 220-250 lb. w'ts... " "	−10	4.25	4.35	7.50
Lard, N. Y., Mid. W..... " "	−20	4.80	5.00	9.25
Pork, mess................bbl	−50	17.00	17.50	26.00
Lambs, best fat, natives.100 lbs	−25	7.00	7.25	9.00
Sheep, fat ewes......... " "	+25	3.75	3.50	4.50
Short ribs, sides l'se.... " "	−12	5.25	5.37	10.50
Bacon, N. Y., 140 down......lb	−¼	7¼	7½	13
Hams, N. Y., 18-20 lb........ "	−1	10¾	11¾	14½
Tallow, N. Y., sp. loose..... "		2½	2½	4
RICE, Dom. Long grain, Fancy.lb		5¼	5¼	6
Blue Rose, choice............ "		3½	3½	3⅞
Foreign, Japan, fancy....... "		3⅜	3⅜	3⅞
SPICES: Mace, Banda No. 1...lb		39	39	54
Cloves, Zanzibar............ "		13	13	25
Nutmegs, 105s-110s.......... "		13	13	16½
Ginger, Cochin............. "		6¾	6¾	11½
Pepper, Lampong, black..... "	−¼	10¾	11	13
" Singapore, white... "	−⅝	12¾	13⅜	20
" Mombasa, red....... "		16	16	25
SUGAR: Cent. 96°.......100 lbs	−6	2.66	2.72	3.35
Fine gran., in bbls...... " "		4.00	4.00	4.50
TEA: Formosa, standard......lb		11	11	14
Fine .... "		18	18	22
Japan, basket fired......... "		10	10	15
Congou, standard........... "		9	9	12
VEGETABLES: Cabbage (nearby) bskt.		1.50	1.50	2.00
Onions (Jersey), Yel......bskt		3.00	3.00	1.00
Potatoes, L. I......180-lb. sack		2.15	2.15	3.75
Turnips, Can., Rutabaga....bag		65	65	1.00

ADVANCES 12; DECLINES 14.

BUILDING MATERIALS

	Net Change	This Week	Last Week	Last Year
Brick, N. Y., delivered....1000		10.00	10.00	15.00
Portland Cement, N. Y., Trk. loads, delivered..........bbl		1.66	1.66	2.60
Chicago, carloads......... "		1.85	1.85	1.95
Philadelphia, carloads.... "		2.35	2.35	2.50
Lath, Eastern spruce........100		4.25	4.25	3.65
Lime, hyd., masons, N. Y....ton		12.00	12.00	14.00
Shingles, Cyp., Pr. No. 1...1000		8.25	8.25	10.00
Red Cedar, Clear, rail..... "		3.00	3.00	3.51
LUMBER:				
White Pine, No. 1 Barn, 1x4" ....per M ft.		52.00	52.00	55.50
F A S Quartered Wh. Oak, 4/4" .... " " "		139.00	139.00	154.00
FAS Plain Wh. Oak, 4/4" .... " " "		110.00	110.00	115.00
FAS Plain Red Gum, 4/4" ....per M ft.		76.00	76.00	85.00
FAS Ash 4/4"........ " " "		71.00	71.00	82.00
FAS Poplar, 4/4", 7 to 17" .... " " "		80.00	80.00	105.00
Beech, No. 1 Common, 4/4" .... " " "		45.00	45.00	50.00
FAS Birch, Red 4/4".. " " "		80.00	80.00	110.00
FAS Cypress, 1"..... " " "	−4.00	70.00	74.00	82.50
FAS Chestnut, 4/4"... " " "		65.00	65.00	75.00
No. 1 Com. Mahogany, (African), 4/4"...... " " "		150.00	150.00	154.00
FAS H, Maple, 4/4".. " " "		65.00	65.00	85.00
Canada Spruce, 2x4".. " " "		25.00	25.00	32.00
N. C. Pine, 4/4", Edge Under 12" No. 2 and Better .... " " "		36.00	36.00	44.50
Yellow Pine, 3x12".... " " "		42.00	42.00	58.00
FAS Basswood, 4/4"... " " "		63.00	63.00	76.00
Douglas Fir, Water Ship., c. i. f., N. Y., 2x4", 18 feet........ " " "	−50	20.00	20.50	25.75
Cal. Redwood, 4/4", Clear .... " " "		66.00	66.00	71.00
North Carolina Pine Roofers, 13/16x6"... " " "		21.50	21.50	25.25
NAVAL STORES: Pitch......bbl		4.50	4.50	6.50
Rosin "B"................ "	−20	3.35	3.55	4.80
Tar, kiln burned........... "		10.00	10.00	10.00
Turpentine, carlots........gal	+½	47	46½	54½
PAINTS: Litharge, com'l Am...lb		12	12	13¼
Red Lead, dry..........100 "		12	12	13¼
White Lead in Paste........lb		12	12	13¼
" " dry............ "		12	12	13¼
Zinc, American............. "		6½	6½	6¼
" F. P. R. S............ "		9⅜	9⅜	9⅜

ADVANCES 1; DECLINES 3.

HIDES AND LEATHER

	Net Change	This Week	Last Week	Last Year
HIDES, Chicago:				
Packer, No. 1 native.........lb		6	6	9
No. 1 Texas................ "		6	6	9
Colorado .... "		5½	5½	8½
Cows, heavy native.......... "		5	5	8
Branded cows .... "		5	5	8
No. 1 buff hides............. "	−¼	4¼	4½	6½
No. 1 extremes.............. "	−½	4½	5	7½
No. 1 kip.................. "		5	5	9
No. 1 calfskins.............. "		5	5	10
Chicago city calfskins...... "		6	6	14
LEATHER:				
Union backs, t.r.............lb		30	30	30
Scoured oak-backs, No. 1.... "	−1	33	34	35
No. 2 butt bends........... "	−1	44	45	52

ADVANCES 0; DECLINES 4.

TEXTILES

	Net Change	This Week	Last Week	Last Year
BURLAP, 10½-oz. 40-in.....yd	−¼	4½	4¾	5⅝
8-oz. 40-in................. "	−⅛	3⅜	3½	4½
COTTON GOODS:				
Brown sheetings, stand.....yd		5⅝	5⅝	8⅜
Wide sheetings, 10-4........ "		42	42	50
Bleached sheetings, stand... "		12	12	14½
Medium .... "		7⅞	7⅞	9¼
Brown sheetings, 4 yd...... "		4⅞	4⅞	6⅝
Standard print............. "		6	6	7½
Brown drills, standard...... "	−⅛	5½	5⅝	8½
Staple ginghams............ "		6	6	8
Print cloths, 38½-in. 64x60.. "		3¾	3¾	5⅜
Hose, belting, duck......... "		18½	18½	24
HEMP: Midway, Fair Current..lb	+⅛	4⅛	4	5
JUTE: first marks.......... "		3½	3½	3¾
RAYON: Den. Fil.				
a 150 22-32..............		75	75	75
b 150 40		1.00	1.00	1.30
a Viscose Process. b Cellulose Acetate.				
SILK: Italian Ex. Clas. (Yel.) lb		1.85	1.85	2.70
Japan, Extra Crack......... "	+5	1.64	1.59	2.65
WOOL, Boston:				
Average, 25 quot...........lb	—.12	32.76	32.88	40.48
Ohio & Pa. Fleeces:				
Delaine Unwashed.......... "		20	20	27
Half-Blood Combing......... "		20	20	25
Half-Blood Clothing........ "		17	17	25
Common and Braid......... "		16	16	17

WHOLESALE COMMODITY PRICES

the same week a year ago, Dun's compilation of wholesale commodity quotations tabulated five more advances, while the total declines of 33 was exactly the same as for that week. Led by wheat, the increases throughout the grain and flour lists provided the chief support for the foodstuffs group.

	Net Change	This Week	Last Week	Last Year
Mich., and N. Y. Fleeces:				
Delaine Unwashed..........lb		18	18	23
Half-Blood Combing......... "		19	19	23
Half-Blood Clothing......... "		17	17	23
Wis., Mo., and N. E.:				
Half-Blood .... "		16	17	20
Quarter-Blood .... "		16	17	20
Southern Fleeces:				
Ordinary Mediums.......... "		16	16	20
Ky., W. Va., etc.; Three-eighths				
Blood Unwashed............ "		22	22	24
Quarter-Blood Combing...... "		20	20	23
Texas, Scoured Basis:				
Fine, 12 months............ "		47	47	62
Fine, 8 months............. "		40	40	55
California, Scoured Basis:				
Northern .... "		40	40	52
Southern .... "		39	39	50
Oregon, Scoured Basis:				
Fine & F. M. Staple......... "		46	47	60
Valley No. 1............... "		45	45	52
Territory, Scoured Basis:				
Fine Staple Choice.......... "		48	48	65
Half-Blood Combing......... "		47	47	58
Fine Clothing.............. "		40	40	55
Pulled: Delaine............. "		58	58	73
Fine Combing............. "		57	57	55
Coarse Combing............ "		40	40	40
California AA............... "		55	55	65
WOOLEN GOODS:				
Standard Cheviot, 14-oz......yd		1.07½	1.07½	1.30
Serge, 11-oz................ "		1.20	1.20	1.65
Serge, 15-oz................ "	−7½	1.47½	1.65	1.85
Serge, 16-oz................ "		1.80	1.80	2.28
ADVANCES 2; DECLINES 5.				

DRUGS AND CHEMICALS

	Net Change	This Week	Last Week	Last Year
Acetanilid, U.S.P., bbls.......lb		36	36	36
Acid Acetic, 28 deg......100 lbs		2.60	2.60	2.60
Carbolic, cans.......... " "		17	17	17
Citric, domestic.............lb		37½	37½	37½
Muriatic, 18′..........100 lbs		1.00	1.00	1.00
Nitric, 52′............ " "		6.50	6.50	6.50
Oxalic, spot.................lb		10¼	10¼	11
Sulphuric, 60′.........100 lbs		55	55	55
Tartaric crystals.............lb		24½	24½	30
Fluor Spar, acid, 98%........ton		38.50	38.50	38.50
Alcohol, 190 proof U.S.P......gal		2.37	2.37	2.37
" wood 95%........... "		44	44	44
" denatured, form 5.... "		31⅝	31⅝	22
Alum, lump..................lb		2.25	2.25	3.25
Ammonia, anhydrous......... "		15½	15½	15½
Arsenic, white.............. "		4	4	4
Balsam, Copaiba, S. A........ "		18	18	24
Fir, Canada.................gal		10.00	10.00	11.00
Peru .... "		95	95	1.50
Bicarbonate Soda, Am....100 lbs		2.54	2.54	2.64
Bleaching powder, over 34% .... " "		2.00	2.00	2.00
Borax, crystal, in bbl........ "		2½	2½	2½
Brimstone, crude domestic...ton		18.00	18.00	18.00
Calomel, American...........lb		1.51	1.51	1.82
Camphor, slabs.............. "		49	49	55
Castile Soap, white..........case		15.00	15.00	15.00
Castor Oil No. 1.............lb		10	10	10¼
Caustic Soda, 76%......100 lbs		2.25	2.25	2.25
Chlorate potash.............lb		8	8	8
Chloroform, U.S.P............ "		25	25	25
Cocaine, Hydrochloride........oz		8.50	8.50	8.50
Cream Tartar, domestic.......lb		19¼	19¼	23¾
Epsom Salts............100 lbs		2.25	2.25	2.25
Formaldehyde ....lb		6	6	6
Glycerine, C. P. in drums.... "		10¼	10¼	12½
Gum-Arabic, Amber........... "		6½	6½	10¼
Benzoin, Sumatra............ "		21	21	29
Gamboge, pipe............... "		75	75	75
Shellac, D. C................ "		38	38	41
Tragacanth, Aleppo 1st....... "		95	95	1.35
Licorice Extract............. "		18	18	18
Powdered .... "		33	33	33
Menthol, Japan, cases....... "		3.35	3.35	3.75
Morphine, Sulp., bulk........oz		7.95	7.95	7.95
Nitrate Silver, crystals....... "		22¼	22¼	21⅞
Nux Vomica, powdered........lb		7¾	7¾	8
Opium, jobbing lots.......... "		12.00	12.00	12.00
Quicksilver, 75-lb. flask.........		74.50	74.50	102.00
Quinine, 100-oz. tins..........oz		40	40	40
Rochelle Salts...............lb		16	16	19
Sal ammoniac, lump, imp...... "		10¼	10¼	10¼
Sal soda, American......100 lbs		90	90	90
Saltpetre, crystals....... " "		7¼	7¼	7¼
Sarsaparilla, Honduras.......lb		42	42	45
Soda ash, 58% light.....100 lbs		1.05	1.05	1.00
Soda benzoate..............lb		40	40	40
ADVANCES 0; DECLINES 0.				

METALS

	Net Change	This Week	Last Week	Last Year
Pig Iron: No. 2X, Ph........ton		15.59	15.59	17.76
No. 2 valley furnace....... "		15.00	15.00	17.00
Bessemer, Pittsburgh....... "		17.39	17.39	18.76
No. 2 South Cincinnati.... "		13.82	13.82	14.19
Billets, rerolling, Pittsburgh. "		27.00	27.00	30.00
Forging, Pittsburgh........ "		33.00	33.00	36.00
Wire rods, Pittsburgh....... "		37.00	37.00	35.00
O-h rails, hy., at mill....... "		43.00	43.00	43.00
Iron bars, Chicago......100 lbs		1.70	1.70	1.70
Steel bars, Pittsburgh... " "	+10	1.60	1.50	1.65
Tank plates, Pittsburgh.. " "	+10	1.60	1.50	1.65
Shapes, Pittsburgh...... " "	+10	1.60	1.50	1.65
Sheets, black No. 24, Pittsburgh .... " "		2.20	2.20	2.25
Wire Nails, Pittsburgh.. " "		1.95	1.95	1.90
Barb Wire, galvanized, Pittsburgh .... " "		2.60	2.60	2.25
Galv. Sheets No. 24, Pittsburgh .... " "		2.85	2.85	2.85
Coke, Connellsville, oven.....ton				
Furnace, prompt ship...... "		2.25	2.25	2.50
Foundry, prompt ship...... "		3.50	3.50	3.50
Aluminum, pig (ton lots).....lb		22⅞	22⅞	22⅞
Antimony, ordinary.......... "		6⅛	6⅛	7
Copper, Electrolytic......... "		6	6	9¾
Zinc, N. Y.................. "		3⅛	3⅛	4¼
Lead, N. Y.................. "		3	3	4½
Tin, N. Y................... "	−2⅝	19⅝	22¼	26
Tinplate, Pittsburgh, 100-lb box		4.75	4.75	5.00
ADVANCES 3; DECLINES 1.				

MISCELLANEOUS

	Net Change	This Week	Last Week	Last Year
COAL: f.o.b. Mines..........ton				
Bituminous:				
Navy Standard............ "		1.75	1.75	2.20
High Volatile, Steam....... "		1.25	1.25	1.25
Anthracite, Company:				
Stove .... "	−50	6.50	7.00	8.20
Egg .... "	−50	6.25	6.75	6.85
Nut .... "	−25	6.25	6.50	6.85
Pea .... "	−50	4.75	5.25	4.45
DYESTUFFS—Bi-chromate				
Potash, am.................lb		8	8	9
Cochineal, silver........... "		46	46	52
Cutch, Rangoon............ "		9½	9½	10½
Gambier, Plantation........ "		8½	8½	7¾
Indigo, Madras............ "		1.25	1.25	1.25
Prussiate potash, yellow.... "		18½	18½	18½
FERTILIZERS:				
Bones, ground steamed, 1¼, am., 60% bone phosphate, Chicago ....ton		25.00	25.00	25.00
Muriate potash, 80%...... "		37.15	37.15	37.15
Nitrate soda ....100 lbs		1.77	1.77	2.05
Sulphate ammonia, domestic, delivered...... " "	+10	1.10	1.00	1.75
Sulphate potash, bs. 90%...ton		48.25	48.25	48.25
OILS: Cocoanut, Spot, N.Y....lb		3⅞	3⅞	5
China Wood, bbls., spot..... "		6½	6½	7¼
Cod, Newfoundland.........gal		21	21	48
Corn, crude, Mill............lb		3¼	3¼	7
Cottonseed, spot............ "	−⅛	3¾	3⅞	7¾
Lard, Extra, Winter st....... "		7	7	9¾
Linseed, city raw, carlots.... "	−¼	6⅝	6⅝	9¼
Neatsfoot, pure............. "		8¾	8¾	11¼
Rosin, first run............gal		43	43	54
Soya-Bean, tank, cars, M. W..lb		3	3	6
Petroleum, Pa., cr., at well..bbl		1.59⅞	1.59⅞	1.67½
Kerosene, wagon, delivery...gal		17	17	17
Gas'e auto in gar., st. bbls.. "		14	14	13⅜
Wax, ref. 125 m. p..........lb		3⅛	3⅛	3⅜
PAPER: Newsroll Contract......		53.00	53.00	62.00
Book, S. & S. C.............lb		5¼	5¼	5½
Writing, tub-sized.......... "		4½	4½	10
No. 1 Kraft................ "		4¾	4¾	4
Sulphite, Domestic, bl..100 lbs		2.00	2.00	2.40
Old Paper No. 1 Mix.... " "		20	20	15
PLATINUM: ....oz		37.50	37.50	35.00
RUBBER: Up-River, fine......lb		5	5	8¾
Plan, 1st Latex, crude...... "		4¼	4¼	6¾
ADVANCES 1; DECLINES 6.				
TOTAL ADVANCES........		19	17	14
TOTAL DECLINES.........		33	31	33

NATIONAL MONEY AND CREDIT CONDITIONS

MONEY MARKETS

ATLANTA There has been no increase in the demand for money in this district, although supply continues ample for all requirements. Interest rates still average 4½ to 6 per cent.

BOSTON The local money market continues in an easy position, rates having declined somewhat during March. Cash reserves of the Reserve bank average high, and there has been a steady improvement in the reserve ratio. The quick call rate is 3½ per cent; time money for six months is 5 per cent; and commercial paper is 3½ to 4 per cent.

CHICAGO Money continues steady in this district, with the market easier than it was a few weeks ago. Commercial paper, extra choice, ninety days is going at 5½ per cent, but other maturities bring 3¾ to 4½ per cent. Over-the-counter loans are fairly steady at 4½ to 5½ per cent, while brokers' loans on collateral are about pegged at 4½ per cent. Customers' loans on collateral range from 4½ to 5½ per cent.

CINCINNATI Money continues firm and commitments for commercial purposes are restricted. In many instances credit lines have been reduced. Brokers' loans are of no importance. Rates continue on a basis of 5½ to 6 per cent for practically all new accommodations and renewals.

DALLAS The general banking situation continues quiet, and funds are more than ample for the moderate current demand. An improved tone is discernible since the government lending agencies have started functioning.

KANSAS CITY Last week's statement of the Federal Reserve Bank indicates no material change in the important items over the report of the week preceding. General commercial banks state that deposits are well maintained and that rates continue from 5 to 6 per cent.

PHILADELPHIA Although banks report ample funds, the lending policy continues conservative. Call money continues at 4 per cent, and commercial accommodations at 4½ to 6 per cent.

ST. LOUIS There has been no marked change in the local money market, which has been more or less steady for the week. Funds are said to be ample to meet all needs. Rates are unchanged.

TWIN CITIES (St. Paul-Minneapolis) Local banks report deposits holding up fairly well, and ample funds are available. Demand, however, continues light. Rates for commercial loans range from 4½ to 6 per cent. Commercial paper is quoted at 3¾ to 4 per cent.

COLLECTION CONDITIONS

ATLANTA No material improvement has been reported in collections, the trend toward slowness continuing.

BALTIMORE There has been a slight betterment in collections, but improvement is not expected to become marked until Spring trade will have assumed a wider stride.

BOSTON Local collections continue fair, but they are on a little better basis than they were last week.

BUFFALO Collections throughout this district are easier than they were last week, but the general average is not much better than fair.

CINCINNATI There has been almost no improvement in collections, and complaints continue numerous from both wholesale and retail merchants.

CLEVELAND The general average of mercantile collections is slightly better, but most accounts continue slow in meeting their current obligations.

DALLAS There has been a slight improvement lately in the general collection field, with the average of current wholesale accounts classed as fairly satisfactory; instalment accounts continue to pay slowly.

DENVER Although local collections continue slow, the general average is somewhat better than it was a month ago.

JACKSONVILLE The slowness of local merchants in meeting their obligations is not so marked as it was a month or two ago.

LOS ANGELES General collections were fair this week, due to the improvement in the retail trade.

NEW ORLEANS While collections are a little slower than they were in March, the average is better than it was for the comparative period last year.

OMAHA While the general collection average cannot be classed as more favorable, retail payments are slightly more prompt.

PHILADELPHIA Improvement in collections is confined largely to the retail clothing and shoe trades; with wholesalers they continue slow.

PITTSBURGH Collections at both wholesale and retail continue slow, and it is particularly difficult to realize upon installment accounts.

ST. LOUIS Collections are reported generally slow by most retail houses, while wholesalers report a higher rate of return from rural sections; the general average is about fair.

TWIN CITIES (St. Paul-Minneapolis) While general collections continue slow, results from country districts are more satisfactory.

INTERNATIONAL MONEY MARKETS

World money markets continue to reflect improvement in basic conditions. Less hoarding, fewer bank closings and easier credit characterize domestic situation. Success of British in balancing budget gives encouragement to other European nations. Most foreign currencies continue strong; trading light.

Despite some unsettlement in the world money markets during the past week or two, most of the great gains recorded during the early months of this year have been maintained and consolidated. In contrast with the furore of the final months of 1931, the first quarter of this year represents a period of constructive developments in almost all countries. These have been continued in quiet fashion so far in April, and it appears altogether unlikely that any recurrences of hoarding or other perturbing manifestations will delay the measures for improvement now on foot in the financial sphere.

In the past three months were witnessed such profoundly satisfying incidents as a return flow of about $200,000,000 in hoarded currency in the United States. Bank failures have ebbed and almost vanished, when the figures are compared with the alarming totals of last year. Credit conditions have eased markedly, chiefly on the basis of the determined measures of the Federal Reserve authorities. The reduction of the New York Federal Reserve Bank rediscount rate on February 26 from 3½ to 3 per cent was indicative of the movement, while extensive purchases of government securities and reductions of buying rates for bankers' acceptances have shown that open market operations are designed to the same end.

MONEY MARKETS SHOW STRENGTH

In European countries, where the incidence of the credit crisis was more severe, outward signs of recent improvement also have been more pronounced. The London market has registered the greatest gains. Not only was the bank rate reduced swiftly from 6 to 3½ per cent, but a steadily widening market for new securities issues also developed. In Berlin the Reichsbank discount rate was lowered from 7 to 6 per cent. Other Central European countries remained rather more deeply embedded in the throes of the crisis, while in the case of Sweden the position has become rather more uncomfortable.

In governmental finance great strides have been made, with Britain leading the way. The British fiscal year which ended March 31 was signalized by a budgetary surplus of $1,300,000, as against the threat of a deficit of hundreds of millions last September, when the budget was recast. In this country, measures for speedy balancing of the national finances are being pushed with great vigor. France, Germany and Italy are considering similar measures, and it thus appears that the great drain on capital accumulations caused by governmental deficits will soon pass, leaving a greater volume of funds available for normal business needs. Money rates here are sluggish at the low levels that have persistently prevailed for two and a half years.

Call loans in the Stock Exchange money market held at 2½ per cent for all transactions, whether renewals or new loans. Time money ruled at 2¾ to 3 per cent for all maturities up to six months.

Prime bankers' acceptances held at a range of 2¼ per cent bid and 2⅛ asked for thirty to ninety-day maturities, and 2⅝ bid and 2½ asked for five and six months' bills. Commercial paper also was unchanged at 3¾ to 4 per cent for prime names, three to six months, and 4 per cent for other names.

EXCHANGES RALLY ON TAX PROPOSAL

Foreign exchanges were generally strong in this market early in the week, owing largely to a little uncertainty in Europe regarding the American tax measures. The French franc moved upward to the upper gold point, and a possibility of minor gold shipments exists. Belgas, Swiss francs and Dutch guilders also were firm. Sterling exchange was steady, and the rate moved up again close to the $3.80 mark.

Daily closing quotations of foreign exchange (bankers' bills) in the New York market follow:

	Thurs. Mar. 31	Fri. Apr. 1	Sat. Apr. 2	Mon. Apr. 4	Tues. Apr. 5	Wed. Apr. 6
Sterling, checks...	3.81¾	3.77⅜	3.75¾	3.75⅞	3.77⅛	3.80 13/16
Sterling, cables....	3.80⅞	3.77½	3.75⅞	3.76	3.77¼	3.81
Paris, checks......	3.93⅝	3.93 1/16	3.94	3.93¾	3.94 1/16	3.94 1/16
Paris, cables......	3.93⅞	3.93 15/16	3.94¼	3.94	3.94 3/16	3.94 3/16
Berlin, checks.....	23.79	23.77	23.74½	23.72	23.72½	23.67
Berlin, cables.....	23.81	23.79	23.76½	23.74	23.74½	23.73
Antwerp, checks...	13.97	13.98½	13.98	13.99½	13.99½	13.98
Antwerp, cables...	13.97½	13.99	13.98½	14.00	14.00	13.99
Lire, checks.......	5.17½	5.18⅜	5.17⅜	5.17	5.16¾	5.15¾
Lire, cables.......	5.17¾	5.18⅝	5.17⅝	5.17¼	5.17	5.16¾
Swiss, checks.....	19.42	19.44	19.44½	19.44	19.42½	19.44
Swiss, cables.....	19.42½	19.44½	19.45	19.44½	19.43	19.45
Guilders, checks...	40.38	40.43	40.43	40.42½	40.45	40.47½
Guilders, cables...	40.39	40.44	40.44	40.43½	40.46	40.50
Pesetas, checks....	7.54	7.54½	7.54	7.55½	7.54½	7.56
Pesetas, cables....	7.55	7.55½	7.55	7.56½	7.55½	7.57
Denmark, checks...	20.99	20.81	20.69	20.79	20.74	20.80
Denmark, cables...	21.00	20.82	20.70	20.80	20.75	20.85
Sweden, checks....	20.44	20.34	20.34	20.55	20.36	20.00
Sweden, cables....	20.45	20.35	20.35	20.56	20.37	20.25
Norway, checks....	20.14	20.00	19.84	19.94	19.85	19.87
Norway, cables....	20.15	20.01	19.85	19.95	19.86	19.92
Greece, checks.....	1.28⅝	1.28⅝	1.28⅝	1.28⅝	1.28⅝	1.28⅝
Greece, cables.....	1.28⅞	1.28⅞	1.28⅞	1.28⅞	1.28⅞	1.28⅞
Portugal, checks...	3.48	3.48	3.46	3.48	3.43	3.43
Portugal, cables...	3.50	3.50	3.48	3.45	3.45	3.45
Australia, checks..	3.04½	3.02½	3.00¼	3.01	3.01⅝	....
Australia, cables..	3.05	3.02¾	3.00⅞	3.02	3.02	....
Montreal, demand..	90.31	90.06	89.93	90.06	90.25	90.37
Argentina, demand.	25.45	25.45	25.45	25.45	25.45	25.35
Brazil, demand....	6.10	6.05	6.10	6.10	6.10	5.95
Chile, demand.....	12.10	12.10	12.10	12.10	12.10	12.07
Uruguay, demand..	47.50	47.50	47.50	47.50	47.50	46.00

SECURITY PRICES LOWER IN LIGHT TRADING

by GEORGE RAMBLES

Stock prices depressed steadily during week by the accumulation of unfavorable news. The dividend reduction of Atchison unsettled rails; nervousness regarding Insull companies disturbed utility list; industrials sold off on poor earnings prospects and tax proposals. Domestic and foreign bonds declined.

Stock prices drifted steadily lower in almost all sessions on the New York Stock Exchange this week, the movement gaining considerable momentum from a series of disquieting developments. The recessions were sufficiently drastic to wipe out all the improvement recorded in March and carry the recognized averages into new low territory for the major down-swing, which began almost three years ago. Indeed, in some compilations of stock prices extending back for many years it is indicated that current quotations represent a lower level than has appeared at any time since early 1914.

This movement follows an uncertain trend which marked the first quarter of the year. Although stocks dropped, as a whole, during the three past months, substantial recoveries were interspersed with the declines. Railroad issues provided the market with an especially weak element, the unprecedented declines in this department occasioning the drop in the averages which now have been carried to a new low level. Some leading industrial stocks, indeed, were swept forward rather easily in February, giving the market in that month the best appearance it has had since world financial troubles began to thicken last Summer.

SELLING RESUMED

Such earlier gains of the year have now been wiped out in the industrial section of the market, while renewed weakness in carrier stocks is boldly in evidence. Accounting in part for the prevailing pessimism were such incidents as the further reduction of the Atchison common dividend from a $6 to a $4 annual basis, the latter figure affording the lowest return since 1905. A precedent established by some other leading corporations was followed by the Atchison directorate, which declared that continuance of dividends on common stock must depend upon an improvement in the company's earnings. Railroad stocks broke sharply Tuesday, after announcement of this action. Atchison broke more than 5 points to 53¾, or the lowest level since 1901. Union Pacific fell 4½ points for the day, and others showed comparable recessions. The railroad group ran far down into new low territory as a result, and the entire stock market averages were correspondingly unsettled.

In other departments of the market also, most of the news was unfavorable and stocks were sold steadily. The impending legislation in Washington, which includes a proposal for taxing stock transactions rather heavily, was provocative of liquidation throughout the list, even though there is no certainty as yet regarding the ultimate form of the tax bill. Omission of the common dividend of the American Smelting & Refining Company, Wednesday, was disturbing, while the Eastman Kodak annual report, showing a decrease of nearly $7,000,000 in earnings for 1931, as against 1930, also proved unsettling. The utility group receded steadily under the burden of reports of new financial arrangements for key companies in the vast Insull structure.

Turnover of stocks improved to a degree, despite all this aggregation of unfavorable occurrences. Trading was substantially more than 1,000,000 shares in even the slowest sessions, while on several occasions it mounted to more than 2,000,000 shares. Bonds were turned over rather slowly, the par value of daily transactions averaging about $10,000,000.

The bond market was a ragged affair all week, with liquidation of carrier issues and a few foreign bonds occasioning a series of drastic declines. United States government securities represented one of the few strong spots, the determination of Congress to balance the national budget proving reassuring. Senior issues of the railroads were affected by the same influences that dragged down the stocks of these important companies. In the foreign list German bonds were weak throughout. Kreuger & Toll and International Match issues suffered heavy declines.

BONDS LOWER

Daily transactions in stocks and bonds on the New York Stock Exchange compare with last year as follows:

Week Ending April 6, 1932	Stocks—Shares This Week	Stocks—Shares Last Year	Bonds This Week	Bonds Last Year
Thursday	1,500,000	2,500,000	$9,603,000	$10,795,000
Friday	1,500,000	*	8,072,000	*
Saturday	1,046,000	873,700	5,049,000	5,235,000
Monday	1,600,000	1,500,000	10,060,000	7,854,000
Tuesday	1,500,000	2,200,000	7,776,000	10,563,000
Wednesday	2,000,000	2,000,000	10,200,000	9,778,000
Total	9,146,000	9,073,700	$50,760,000	$44,225,000

*Holiday.

TEXTILES MOVING BETTER

by C. S. WOOLSLEY

Heavier retail demand, as a result of favorable weather conditions, reflected in improving distribution in primary markets. Silk manufacturers are curbing production, and rayon producers are adjusting output to market demand. Men's wear for Fall being shown. Both fancy and staple hosiery selling better.

Recurring sunny days, with a slight touch of Spring in the air, has given some stimulation to retail dry goods trade and a slow reflection of improving distribution is noted in primary markets. Business still is far below normal for the season, and merchants and manufacturers are advising against excess production until the outlook will have become clearer. It now is generally recognized that in addition to political and other factors that make for hesitancy in trading far ahead, there has been an unusual fall in the purchasing power or desire manifested all over the country.

As yet, there have been no serious evidences of a congestion in stocks, due to the care with which inventories have been protected in all channels, but buying must become much more active in the next few weeks to put merchants at their ease. Wool goods production is at a low ebb, awaiting the opening of Fall business and a better movement of made-up merchandise in the retail field. Silk manufacturers are stressing the wisdom of guarding against overproduction as long as profit margins are so meager and Spring trade so much delayed. Some large plants are operating as low as 30 per cent capacity. In the cotton goods division, arrangements are being perfected for curtailing the output in April and May at least a third, including the 20 per cent regulation already provided for in the print cloth and wide sheeting divisions. Rayon producers are not averaging 65 per cent of capacity output, and further contraction is promised in the event that there is no early quickening in the demand for yarns.

LIGHT STOCKS MAKE OUTLOOK FAVORABLE

While some extraordinary bargains are being offered in retail channels, the primary market price structure has been holding better than is usual in a time of dull trade lasting over weeks at this period of the year. This is explained in part by the already low profit margins prevailing in most trading channels plus the knowledge that only a very moderate part of wanted Spring merchandise for a subnormal consuming trade has been provided as yet. No improvement is noted in the export or import textile trades. Blanket prices were advanced as of April 4, 5 per cent. Considerable buying was done in anticipation of the rise, chiefly in part-wool goods. Much less than the normal provision has been made up to this time for Fall lines. Flannels of a specialty character for Fall have been bought moderately. Staples have sold principally for filling-in needs. Wide sheetings, sheets and pillowcases have sold in better volume for the first quarter than in the same period a year ago, because of exceedingly low prices, but current demand is light. Carded broadcloths are weaker. Print cloths have been slow and barely steady. Fancy weaves are in moderate re-order demand. Plain fine goods are quiet. Towels are well under order, with recent advances fairly well sustained. Bedspreads are quiet.

Additional lines of men's wear for Fall are being shown, and the same average price level noted a week ago is being maintained in new offerings. Large buyers are not prepared to operate, although considerable sampling is being done. In women's wear, the quickened movement at retail gives promise of stimulating a clean-up of most lines of fabrics in first hands and no hurry is likely in opening Fall lines.

Imports of raw silk fell off sharply last month, and mill deliveries were down 15 per cent. More rayon is being bought by silk manufacturers than last season. Knit-goods men are hoping for a more active business when retailing again resumes its normal Spring stride. Staple hosiery is being sold on highly competitive levels.

LARGER DEMAND FOR ALL HOSIERY LINES

The course of prices in the cotton option market at New York and spot prices for each day this week at leading cotton centers are given in the following table:

	Thurs. Mar. 31	Fri. Apr. 1	Sat. Apr. 2	Mon. Apr. 4	Tues. Apr. 5	Wed Apr. 6
May	6.10	6.18	6.14	6.29	6.16	6.05
July	6.29	6.36	6.31	6.47	6.31	6.23
October	6.50	6.58	6.52	6.70	6.58	6.46
December	6.67	6.72	6.66	6.84	6.71	6.61
January	6.76	6.82	6.77	6.93	6.80	6.77

	Wed. Mar. 30	Thurs. Mar. 31	Fri. Apr. 1	Sat. Apr. 2	Mon. Apr. 4	Tues. Apr. 5
New Orleans, cents	6.33	6.11	6.18	6.13	6.29	6.17
New York, cents	6.40	6.20	6.30	6.25	6.40	6.25
Savannah, cents	6.23	6.01	6.18	6.15	6.30	6.16
Galveston, cents	6.35	6.15	6.25	6.20	6.35	6.20
Memphis, cents	5.70	5.50	5.60	5.55	5.70	5.55
Norfolk, cents	6.25	6.12	6.20	6.15	6.30	6.16
Augusta, cents	6.31	6.13	6.19	6.13	6.31	6.19
Houston, cents	6.30	6.10	6.15	6.10	6.30	6.15
Little Rock, cents	5.57	5.35	5.50	5.45	5.60	5.46
St. Louis, cents	5.70	5.60	5.65	5.75	5.75	5.90
Dallas, cents	5.90	5.70	5.80	5.75	5.90	5.75

LEATHER TRADING SLOWER

by FRANK O. PRATT

The slowing down of activity at the leading shoe centers has resulted in quieter trading in all leather markets. Prices of sole and upper are easier, but no wide changes have been made in lists. Packer hides have been dull, and frigorificos unstable and weak. All grades of calfskins are inactive.

Since the termination of Easter deliveries to retailers, a considerable slowing down has been noted. It is generally believed that inclement weather and the fact that Easter was very early this year restricted seriously the volume of Easter sales. Retailers have been very close buyers right along and, with their stocks not regarded as burdensome, a period of seasonable weather should quickly reduce their holdings. The present credit situation also has been a retarding influence. In general, women's lines have continued to sell much better than men's; in the latter, leading chain store concerns continue to announce reductions.

Sole leather has continued to lag the same as all other shoe lines. Manufacturers' immediate wants, as a rule, are small, which is reflected in the new orders. No particular price changes can be noted. Usually when conditions are slow, the tone appears easier, but while the trading market has been held right along, quotations are not altered. Union trim, tannery run, cow backs continue generally ranged at 29c. to 31c., but standard quality leather is regarded around 30c. top price and less to a buyer who would take quantities. The bulk of sales in bends averages 33c. Offal is not so active as formerly. The market, on the whole, is regarded less firm, even on the recent faster-selling lines, notably lightweight bellies and double rough shoulders. Single shoulders in Boston now range from 22c. down to 18c. In New York, cheaper lines hold up well and a car of foreshanks sold at 11½c., which is steady; also, a couple of cars of extreme light bellies moved within the range of 11½c. to 12c.

PRICES OF SHOE LEATHER EASIER

Upper leathers are quiet to slack in all shoe lines, and the lull appears acute, in comparison with the steady output which prevailed before the inactivity of March developed. This applies to sides, calf and kid and has extended to patent; the last named, it is believed, will come to the fore again with the renewal of business. Reductions of retailers' stocks of shoes would be most beneficial for resumption of leather trading and a period of seasonable weather also would help materially in this respect. The general undertone remains easy to weak, and the entire market is very sensitive. Most reports predict that suede again will rule active for Fall work. In reptile leathers, some few new orders are coming in, but there is severe price competition on all lines of these, including the favored selections. Sheep leather trading is unsatisfactory in all departments.

Trading in domestic packer hides has dragged for well over a week. It is not altogether a matter of price that keeps tanners from operating, but general sentiment and conditions, together with a decided lull in the leather end. Coincident with this dullness, the undertone of the hide market is nominal, weak and unestablished.

The instability of values under present conditions was illustrated by trading last week at the River Plate. At a general decline of around ¾c. per pound, holdings of regular weight Argentine frigorifico steers were reduced about half, as a result of buying by both United States and European consumers, chiefly the former. Stocks in that market have been increased again by production since this business was executed. These South American steers are of prime season quality and the price of around 6½c. c.&f. per pound, against 6c. last secured for Winter take-off domestic packer heavy Texas and butt branded steers, seems to show a very narrow spread.

Country hides naturally have been affected by the entire hide market, and the general sentiment and conditions prevailing. Extremes sold at 4¾c., but since have been regarded as top at 4½c., while buffs are around 4¼c., with bids down to 4c. All weight hides, selected, delivered Chicago, last sold at 4c. Buying dealers have ideas of ¼c. less, but find holders seriously resisting this further reduction in value. Calfskins have been quiet in all sections. It developed that one packer sold February St. Paul skins at 8c. for 9½ to 15 pounds, and 7½c. for regular 8 to 12-pound weights and is generally sold to March 1. The other three packers carry their February forward and are nominally asking 7½c. in Chicago.

COUNTRY HIDES AND CALFSKINS QUIETER

FIRM UNDERTONE IN GRAINS

by H. G. SEELY

Grain prices displayed an increasingly firm undertone on persistent reports of crop damage in the Southwest, holding fairly steady at mid-week in the face of an unsettled stock market. A sharp decrease in the visible supply totals, reported lack of subsoil moisture in the Northwest, and gloomy crop reports from Kansas and Nebraska brought a spurt of ¾c. to ⅞c. on Monday on the Chicago Board of Trade.

The rally resulted in an overbought market condition and the gain was about cancelled the next day. An upward swing on Wednesday was checked by reports of rain in Kansas, but prices closed unchanged to ⅛c. higher, nevertheless. The reports of damage in Kansas and Nebraska from the freak March cold wave and subsequent dust storms were particularly severe. In Kanses, the acreage abandonment was expected to be higher than normal, as a result of the soil blowing.

In Missouri and the eastern two-thirds of Kansas, Oklahoma, and Texas, the crop has made notable recovery with apparently no serious injury. Trade estimates as of April 1 place the condition of Winter wheat at 79 per cent of normal and the outturn at around 500,000,000 bushels. Seeding of Spring wheat has been delayed by wet soil and cold weather, and now is about two weeks later than usual. Plowing and seeding of Spring grains also have been dayed in some European producing areas. Heavy snows were delaying plowing in the Balkan States and also in Russia. Some damage from late frost was reported in Germany, but the crop generally is satisfactory in both Italy and France.

DAMP WEATHER DELAYS EARLY WHEAT SEEDING

Country mill and elevator stocks in the United States March 1 totalled 74,601,000 bushels, according to the official estimate, compared with 83,205,000 a year ago, and 101,149,000 on March 1, 1930. Stocks were unusually small in the Spring wheat area, but much above those of last season in the States producing principally hard and soft Winter wheat. Combining the country mill and elevator stocks with the farm stocks in the principal Spring wheat-producing States of Minnesota, North and South Dakota and Montana, and adding the market stocks at Minneapolis and Duluth, gives a total of around 55,000,000 bushels of Spring wheat in that area, compared with about 124,000,000 bushels a year. Total stocks of wheat in the United States on farms, in country mills and elevators and in terminal markets on March 1 were approximately 498,206,000 bushels, compared with 453,298,000 bushels on March 1, 1931.

Corn drifted in a narrower range all week, closing practically unchanged on Monday, dipping a major fraction on Tuesday, and closing ¼c. off to ⅛c. up on Wednesday. Offerings generally were light, primary receipts totalling only 1,361,000 bushels, making a total for the season of approximately 58,000,000 bushels, compared with about 105,000,000 bushels for the corresponding period last season, and 135,000,000 bushels two years ago. Shipping demand continued of unusually small proportions at all the principal markets and current arrivals were taken mostly by local elevators and industries.

CROP DAMAGE REPORT HELPS CORN AND RYE

Oats seesawed after a Monday advance of ⅛c. to ⅜c., but the undertone was stronger on account of heavy frost damage to the Fall-sown and volunteer oats. Rye was easy on Monday, broke 1c. to 1⅝c. on Tuesday, and ⅜c. to 1⅛c. at mid-week. News was featureless, except for a reported brisk export inquiry Monday at prices a little under the market.

The United States visible supply of grains for the week, in bushels, was: Wheat, 196,533,000, off 5,736,000; corn, 21,479,000, off 432,000; oats, 14,800,000, off 1,130,000; rye, 9,310,000, up 120,000; barley, 2,851,000, off 26,000.

Daily closing quotations of grain options in the Chicago market follow:

	Thurs. Mar. 31	Fri. Apr. 1	Sat. Apr. 2	Mon. Apr. 4	Tues. Apr. 5	Wed. Apr. 6
WHEAT:						
May	54	53⅛	56⅝	57⅛	56	56
July	56½	55⅞	58⅝	59¾	58½	58⅝
September	58¾	58¼	60⅝	61¾	60¾	60⅞
CORN:						
May	36½	35⅛	36	36⅛	35⅝	35¼
July	39½	38½	39¼	39⅝	38⅞	38⅞
September	41	40¼	41⅛	41¼	40¾	40¾
OATS:						
May	23⅝	23½	24	24⅜	24⅛	24
July	24⅛	24	24½	24⅝	24⅝	24⅜
September	24⅞	24⅝	25	25¼	25½	25⅛
RYE:						
May	46⅞	47⅜	48¾	48½	47⅛	46
July	47¾	48⅛	49	49	48	47⅛
September	48½	48	49⅞	49⅝	48⅜	48

The grain movement each day is given in the following table, with the week's total, and comparative figures for last year:

	Wheat		Flour,	Corn
	Western Receipts	Atlantic Exports	Atlantic Exports	Western Receipts
Wednesday	243,000	371,000	3,000	134,000
Thursday	298,000	....	4,000	216,000
Friday	246,000	688,000	1,000	262,000
Saturday	338,000	125,000	3,000	337,000
Monday	585,000	208,000	.....	421,000
Tuesday	224,000	428,000	2,000	373,000
Total	1,934,000	1,820,000	13,000	1,743,000
Last Year	4,649,000	1,397,000	42,000	2,931,000

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Here is an original contribution to business knowledge—the only complete study of the American commercial paper market ever published!

This market is a distinctly national institution. It has been for many years the primary source of short-term funds for organizations engaged in all of our important industries. By reason of its function the market provides necessary financing of a self-liquidating nature, which is highly regarded as an investment medium for banks.

The author, who is an industrial specialist with R. G. Dun & Co., New York, spent a number of years as manager of the bank service department of the National Credit Office. There he was in touch with every commercial paper broker and every open market borrower year after year and made a complete study of the open market. This volume is based on experience which he acquired and the records which he compiled during that time.

In this volume, banker, business man and broker will find an analysis of commercial paper and the open market from his own point of view and will get, in addition, a comprehensive idea of the entire scope of the commercial paper market. He will find detailed explanations of the organization and operation of the open market; will see listed the advantages and the disadvantages of commercial paper, both to the buyer and to the seller.

He will find, too, an analysis of the specialized finance company to which an entire chapter is devoted. Here are shown the origin and development of this type of concern, its rapid growth, the extent of its business, figures showing the volume of installment business handled by specialized finance companies, the liabilities of finance companies and a practical credit outline on finance companies. This last is of particular interest to banks which have specialized finance companies as borrowers or prospective borrowers.

THE COMMERCIAL PAPER MARKET, by Roy A. Foulke. 265 pages. Published by The Bankers Publishing Co. Price $5.

AN ENGINEER'S VIEW

An original and illuminating analysis of the causes of the present depression, with definite, workable directions for bringing back prosperity. This is not an ordinary "panic," declares the author. It is mainly due to new labor-saving machinery and efficiency methods which have made it possible for one man to do the work of ten, sometimes even of a hundred. A large proportion of the millions now out of work, he says, have lost their jobs forever. Himself an engineer, he admits that his profession has done its part to bring the world to the present pass; but "this is no evil fate that has befallen the race," he holds; rather is it the gateway to a new and greater prosperity if only it is met and handled wisely.

There is no single broad road to that promised land of "good times," he finds, but there are pathways which we simply must follow if we are to avoid anarchy. The main one is along the line of a more general distribution of the wealth which our machines are producing. If the brains that created our amazing system of production can not contrive an equally efficient system of distribution, says Mr. Baker, we shall deserve worse things than we have yet suffered.

The author is eminently qualified to write such a work as this. He was Editor-in-Chief of *The Engineering News* for twenty-two years.

PATHWAYS BACK TO PROSPERITY, by Charles Whiting Baker. 351 pages. Published by Funk & Wagnalls Company. Price $2.50.

INDUSTRIAL CO-OPERATION

This book suggests a new plan for industry which would substitute co-operation for the present competiton with its results in over-production, and consequent loss of profits, loss of dividends, loss of work.

The author is a pioneer in the field of industrial planning and is perhaps the foremost advocate in this country of the principle that industrial co-ordination and stabilization must come about through the voluntary action of industry rather than through the action of government agencies or by the enactment of special laws. He proposes that the anti-trust laws be amended so as to legalize a trade association in each industry which could control output of each concern according to current demand, would regulate prices, etc. He includes a descriptive list of rules adopted at Trade Practice Conferences by over 100 industries, which should be invaluable in organizing such conferences.

The goal which Mr. Javits sets for American industry is the elimination of unemployment, reasonable profits, and the assurance of economic security—with a six-hour day, a five-day week, and a forty-eight-week year.

BUSINESS AND THE PUBLIC INTEREST, by Benjamin A. Javits. 304 pages. Published by The Macmillan Company. Price $2.50.

THE GOLD STANDARD ANALYZED

Here is the one compact book on the gold standard that tells not only the history and theory of its working in the past, but what is likely to happen in the immediate future. It is a weighty prediction—not an autopsy—and as such is of im-

measurable importance to all business men, economists, and readers who have interests at stake in the currency problem.

Within the space of 115 pages, this international authority gives all the information anyone need know for general purpose about the international gold standard. Why and how it came into being in the nineteenth century; what the war did to it; and how England and Europe struggled back to it in the decade after the war. It also explains England's loss of gold last year, tells why Great Britain and half the world abandoned the gold standard last Fall, and predicts what may be expected next.

Will England, banker for the world, renounce the gold standard she so laboriously forged in the course of an entire century? Will France and the United States, in self defense, be forced from gold themselves?

The answers to these great questions can be found in this book.

THE GOLD STANDARD AND ITS FUTURE, by T. E. Gregory. 115 pages. Published by E. P. Dutton & Co. Price $1.50.

OUR PUBLIC UTILITIES

In "Principles of Public Utilities," Drs. Jones and Bigham have given us one of the most comprehensive studies of the utility field which has been published in a number of years. They treat exhaustively of the five primary utility groups: water, gas, telephone, electric light and power and street railway.

Regulation, valuation, return, rate structures and securities are studied from every angle and shown against the broad background of the economic and political systems under which we live. The book is definitely one for the careful student, whether he be an undergraduate, a teacher, a bank president or an investor. Not only does it present a wealth of carefully co-ordinated material in a way that makes reading easy but it explains each phase so clearly that it has decided merit as a permanent reference work.

It may be that in future political campaigns the public utility issue will occupy a focal place. This book will enable anyone to discuss utility questions intelligently, to reason on them soundly and to distinguish, in relation to them, political verbiage from fact.

PRINCIPLES OF PUBLIC UTILITIES, by Jones and Bigham. 799 pages. Published by The MacMillan Company. Price $6.

HOW TO ELIMINATE UNEMPLOYMENT

Here is a specific plan, with the technique of application, to accomplish the practical elimination of unemployment, the maintenance of mass purchasing power and the continuous functioning of business without the devastation of periodic crises.

Under this plan "all individuals willing and capable of working will be employed at all times on as nearly an equal basis as possible." It would create a reserve of purchasing power to be drawn upon in times of lowered production to offset the decrease in earnings which would otherwise ensue.

The authors are neither visionaries nor theorists. One is a business man, an executive of one of our largest corporations, who understands the implications of big business in its relation to both its workers and its stockholders. He sets forth his plan concisely but in detail and shows how it could be carried out. His collaborator places the plan in its economic setting and explains its effects.

INVESTING IN WAGES, by Albert L. Deane and Henry Kittredge Norton. 155 pages. Published by The Macmillan Company. Price $1.75.

ECONOMIC SUGGESTIONS

During this period of depression we have been offered many plans for the regulation or stabilization of business. Some of these panaceas for our economic ills involve a new social system, others a new kind of government; one group of plans is essentially political while another group is primarily economic.

In this book, for the first time, men who hold most important posts of control or of influence in the several divisions of our national economy set forth their considered opinions upon the subjects with which each is most familiar. Just as individuals differ, so do industries differ in their requirements, and no one of these men proposes an economic cure-all. In the very nature of things they are realists; it is as realism, opposing itself to romance, that their opinions are valuable.

The thought behind this book is that stability implies a reasonable progression at by no means an even rate of speed, and that it is within the scope of our economy to plan so that we may avoid alternating periods of feast and famine without wholly eliminating the delights of feasting.

A BASIS FOR STABILITY, by Samuel Crowther. 360 pages. Published by Little, Brown & Company. Price $3.

BUSINESS ENGLISH

This book is for men who believe that the correspondents of a business concern should be as carefully trained as the salesmen and servicemen. It makes easy the mastery of correct, courteous and forceful diction by the use of cases as illustrations and by the sensible, modern style which is used.

The book deserves equally a place on the executive's desk and on student's table. Complete indexing by subjects renders it an extremely valuable aid in settling those little fine points of written English which can be forgotten so easily.

NEW BUSINESS ENGLISH, by George Burton Hotchkiss and Celia Anne Drew. 394 pages. Published by American Book Company. Price $1.16.

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SURVEY OF INDUSTRY—FIRST QUARTER, 1932

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office employment but not equally because of the great amount of readjustment which had already taken place in this category.

Money Rates Change Little

The basis of the average of money rates in Chart I is an arithmetic average of the principal forms of paper used in the New York money market. These include types of paper which reflect the demand for funds from industry as well as borrowing on security collateral.

Money rates, in the quarter just ended, averaged only 4.8 per cent below those of the first quarter of 1931. Funds were in supply then as they are now. Occasional firmness of rates in particular classifications was of short duration and caused no important change in the situation from that which existed in the final months of 1931.

There was little demand in the period for funds for any purposes. The volume of commercial paper outstanding shrank uninterruptedly and buying of bills and acceptances was very quiet. In spite of the heavy liquidation of brokers' loans in 1930 and 1931 the trend was continued in the early months of 1932 with the total finally reaching a record low for many years.

Price Strength Evident

The average of commodity prices in Chart I indicates the comparative averages of Dun's Index Number for the first quarter of 1932 and for the same period of 1931. The movement of the Index Number by months from the beginning of 1919 to date is shown in Chart III.

The commodity price average for the first quarter of 1932 was 9.3 per cent below that of the same quarter of 1931. This is a more favorable current comparison than was shown in the final quarter of last year when the price average for the period was 15 per cent under that of the corresponding three months of 1930. Prices in the first quarter of 1931 were substantially lower than in the preceding quarter and so provided a more favorable basis for comparison. Indicative of a degree of price firmness in recent months, the Index Number has fluctuated within the narrow range of 2 points or about 1.4 per cent since November 1.

This evidence of strength in the price structure is a definitely encouraging sign. During 1931 the fall in the price level from month to month was generally of greater proportion than has occurred in the time that has elapsed since last November. The very perceptible slowing up in the rate of decline has provided a more stable base for business operations than has been available for many months past.

Failure Trend Upward

The two averages on the extreme right of Chart I compare the number and liabilities of the commercial failures of the quarter with those of the first quarter of 1931. The averages are calculated from the commercial failure records of R. G. Dun & Co.

A total of 9,141 failures occurred in the first quarter of 1932, involving liabilities of $275,420,622. The number exceeded that of the first quarter of 1931 by 7.8 per cent, while the liabilities were higher by 28.4 per cent. In both number and liabilities the failures of February and March were lower than those of January, a normal relationship. In 1931, liabilities increased 1.2 per cent from February to March, but this year the gain amounted to 10.4 per cent, with March liabilities of $93,760,311, against a February total of $84,900,106.

This series of commercial failure statistics extends in an unbroken series back to 1861. In this period there have been a number of major deflation periods which have taken heavy toll of commercial concerns. It is interesting to note that in practically every case there seems to be a tendency toward higher liability totals as the readjustments continue. Apparently the larger organizations are the last to succumb.

Another important feature of the record is the fact that the annual liability total usually reached a peak in the year following the one in which the business tide turned for the better.

Small Contraction in Essentials

Chart II shows the comparative position of the sales averages of 25 industries in the first quarter of 1932 and in the corresponding three months of 1931. Composite averages, calculated from the reports of these industries were used as the basis of the computations of the industrial averages of Chart I.

It has been noticeable throughout the period of deflation that the sales of essentials have suffered the smallest contraction of any class of products. The tendency was still apparent in the first quarter of this year. The sales of meats averaged only 2.9 per cent lower than in the corresponding period of last year.

Many of the larger chain-store systems have found it profitable to concentrate upon the sale of necessities. The wisdom of their course is shown in the fact that unit sales of an important section of the industry were only 6.9 per cent off from last year, while in the final quarter of 1931 the decline amounted to but 4 per cent.

The sale of food products held up well as it has done for the past two years. The decrease in this division was only 5.6 per cent as against 5 per cent in the final there months of 1931. Such groups as department stores, shoe and leather and tobacco products were also able, as in the past, to report very satisfactory unit sales performances.

Manufacturing Lines Depressed

No material improvement occurred in the sales of the principal heavy manufacturing industries in

the first three months. In a number, the seasonal expansion normal to the period was felt only slightly, if at all, and in others the rate of operations averaged lower than in the final months of 1931. The introduction of new products was postponed and aggressive campaigns to broaden the existing market for established products were deferred. Although sentiment in these divisions of industry was bettered as a result of the formation of the Reconstruction Finace Corporation and the passage of the Glass-Steagall bill, buying from primary sources did not materialize in sufficient volume to enable the heavy manufacturing lines to show a sales gain.

Ordering from the railroads and the automobile industry was greatly restricted. Price concessions were actively sought. The sales of steel products, automobile accessories and railroad equipment were sharply curtailed as a result. Record stocks of copper and record low copper prices showed similar conditions in these lines. Unused plant capacity in practically every industry in the country militated against the sales of productive machinery and machine parts.

Readjustments are particularly hard for the industries in this group. Specialized machinery, which means large investment, is a necessity. Many of the organizations in the field felt, months ago, that in future they would have to face new market conditions and a new price level. Since then they have studied economic developments carefully and have shaped their plans in accordance with the apparent needs of their customers. However, in industries of this type such a policy cannot be expected immediately to improve sales.

Industrial Activity Curtailed

Chart IV shows the course of the Index of Industrial Activity from the beginning of 1920 to the present. The components of the index are: Pig iron production, bank clearings outside of New York City, and bituminous coal production. These factors are weighted in accordance with their importance as industrial indicators in order that the combined index will show the general direction of activity for the period covered. The average of the 48 months from the beginning of 1921 to the end of 1924 is used as 100 per cent.

At the end of the first quarter of the year activity is usually on a substantially higher level than at the end of the preceding December. Since 1920, activity has followed this course in every year except 1921 and 1932. In both 1930 and 1931, although the ruling trend was downward with activity lower at the year-end than it had been twelve months before, there were Spring rises which compared favorably with the normal expectancy for that season. Disappointingly, in the quarter just closed, the ruling movement was steadily toward lower levels. A clouded business outlook, combined with national and international political uncertainty and price instability, were incentives to contraction and curtailment rather than to expansion and a higher rate of operations.

Psychological Changes Important

It is difficult to say what the immediate future holds for business. A few commentators claim that in the past industrial revival has come when a state of complete deflation has been attained and stocks depleted to the point where an extreme sensitiveness existed. Only a moderate demand was then needed to start productive machinery into action. There are others who hold that absolute deflation—perfect balance between supply and demand—has never been realized. They contend that industrial revival in the past has most often come from the stimulus provided by an extraneous factor such as a war, a political campaign or a crop shortage, which could not possibly have been included in predictions. There may be a great deal more deflation still necessary before industrial revival sets in; there may be forces shaping even now which will change the entire picture suddenly. These are two possibilities and there are an infinite number of others, equally nebulous, which may influence the business future.

One factor which will undoubtedly have an important bearing upon business operations is the new viewpoint which is gradually taking shape. There is a general realization on the part of thinking people that the causes of our present troubles are to be found in the mistakes of the past. Content no longer to accept present conditions as inevitable results of the cycle, the business community wants to find out whether or not the severity of periodic fluctuations cannot be lessened by intelligent direction. Research work is being carried on by individuals and organizations in an attempt to find a solution to most of the major problems revealed in the last two years. These reactions are generating a new type of business psychology which realizes the existence of difficulties and attempts to remedy them. This frame of mind is one of the results of the deflation period, a mental readjustment. It can be one of the most potent in its ultimate effect upon the course of industry.

SUMMARY

Industrial production for the cross-section of industry included in the survey averaged 29.7 per cent lower in the first quarter of 1932 than in the corresponding period of 1931. The industrial average of sales in the quarter just closed was 28.7 per cent under that of the initial quarter of last year. The downward trend of industrial activity since the first of this year compares with a gently rising trend at this time in 1931 which accounts for the unfavorable appearance of the recent statistics.

There continues to be ample evidence of a strong industrial inventory position. Unit inventories for the quarter just closed averaged 22.6 per

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ECONOMIC CONDITIONS AND THE LIFE INSURANCE MARKET

continued from page 5

estate, the relation of these two figures to each other seem strong *prima facie* evidence of unfilled needs.

Another consideration, similar in purport, is that life insurance per capita has not yet risen to $900.

Finally, one must remember that only a small proportion of national income yet goes to provide for life insurance premium. In the more normal years of the last decade, premiums received (exclusive of dividend credits, etc.) have amounted to only between 2 and 3 per cent of national income. If we consider abnormal depression years like 1930 and 1931, when national income was so much reduced, this ratio naturally rises; during the two years in question, the proportion ranged 3½ to 4½ per cent; and, of course, a considerable portion of even these amounts went toward increased equity, not being entirely consumed in current protection and cost of production. Moreover, if we deduct from the gross premium the amounts paid out by life insurance companies to insured persons or their beneficiaries in the forms of death benefits, matured endowments, surrenders and policy loans, etc., it is found that only about 1 per cent of the income of the American people has been placed in the charge of life insurance companies during any recent year.

Students of consumer markets declare that some commodities and services have attained or are rapidly approaching saturation points. In fact, several of us concluded some years ago, from intensive studies of industrial and market statistics for the passenger automobile business, that its approach to saturation was rapid; subsequent developments have so far seemed pretty clearly to confirm those studies. Obviously, no product can continue being sold forever in rapidly increasing volume, without encountering progressively increased resistance to further advance. However, none of the statistics on life insurance markets seem yet to suggest anything like an imminent approach to saturation.

In this connection, interesting observations on the long-time trends in life insurance and in other consumer services are afforded by the chart on page 5. Since the curves there ploted are scaled on a special logarithmic or ratio scale, they show automatically (by their comparative steepness) which curves have been growing at a faster rate than the others, and which ones are showing the most pronounced tendency to grow more slowly—or even to decline, as in the case of passenger car registrations. Among the insurance curves, it is readily seen that Group insurance in force expanded far more rapidly throughout the period than did any of the other seven curves—although, in the last few years, this branch of life insurance has not maintained the breathless rate of speed shown formerly. Both Ordinary and Industrial insurance in force have tended to follow pretty consistently a steady line of growth—i.e., a fairly constant *percentage* increase from year to year. Even though (as explained previously) the percentage increase in 1931 was slighter than usual, it is very clear that the three insurance curves speak better for themselves, as to maintenance in the face of adverse cyclical depression, than do any of the other market curves recorded. Not only passenger car registrations, but also savings on deposit, the number of domestic electric customers and gas customers and the number of telephones connected, have all experienced greater resistance to increase during the last year or two than is the case with life insurance.

Coupled with the favorable long-term outlook for life insurance in its commonest forms, life insurance executives and actuaries are constantly developing new improvements on old insurance products, permitting customers to provide themselves with coverage that will meet almost any requirement or combination of requirements. Income insurance in its diverse forms, Accident and Health insurance (both Personal and Group) and annuity contracts (both Personal and Group) are among the varieties of protection which seem to offer great promise of development, in enhancing the role of service which insurance companies will render to the national economic structure in the coming years.

THE BOOK REVIEW

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THE WORLD SITUATION

In the first paragraph of Mr. Stoddard's Foreword, we catch a glimpse of his impression of the state of the world today which he elaborates upon and analyzes in detail in the many vitally interesting pages which follow. The paragraph is given in full as an example of the lucid, scholarly and scintillant style which is used throughout the book:

"Peering through the mists of our tragic present, the future looms dim and uncertain. But one thing we can be reasonably sure of: an epoch has come to an end. Our recent past already seems strangely remote. What, less than three years ago, appeared merely a stock-market recession, today reveals itself as a world-shaking catachlysm of unprecedented magnitude. We now realize that we face neither a mere dip in the business cycle nor even a major economic depression, but a crisis in human history. The whole world is involved. Its remote fringes, such as Australia and Latin America, suffer as acutely as the United States. As for Europe, it literally teeters on the edge of an abyss of war and social disintegration. No land is exempt; no class immune."

EUROPE AND OUR MONEY, by Lothrop Stoddard. 253 pages. Published by The Macmillan Company. Price $2.25.

THE BOOK REVIEW

TREASURY OPERATIONS

It has been possible in the past to secure all necessary information on the operations of the Treasury Department in financing the United States from government publications and statistical records. Necessarily the material has been dryly factual. In addition, the entire story has not been available under two covers.

Now, Major W. O. Woods, Treasurer of the United States, explains clearly and in orderly sequence, all of the functions of his department. His book, which is short and quickly read, contains chapters on the general structure of the Treasury, the kinds of money in circulation, the assistance of the Federal Reserve Banks to the Treasury and post-war financing as well as on a number of other subjects of equal significance.

The volume is carefully writen, well indexed and illustrated and is readable from beginning to end. It gives the reader an opportunity to clarify in his own mind, once and for all, the financial structure of our government.

THE STORY OF UNCLE SAM'S MONEY, by W. O. Woods. 177 pages. Published by The Gregg Publishing Company. Price $1.50.

THE MONTHLY EDITORIAL

continued from page 7

The power of thought is a very real and potent force. We cannot think our way out of our difficulties by pretending that they do not exist, but we can think our way out by admitting our mistakes, facing facts and governing ourselves accordingly. Since there is every day more evidence that this practical viewpoint is the predominant one, may we not say that, psychologically, at least in some respects, the corner has been turned?

Clearly, our present difficulties have accomplished one thing of importance—they have made men think!

SUMMARIES OF THE AUTOMOBILE TRADE

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and capital investment have been for several years in excess of consumer demand. This accounts for the low profit and large operating losses which all but a few of the strong leaders in the industry have sustained in the last few years, and particularly in 1931, when the unfavorable commercial situation caused a sharp and continued sales recession.

The showing of the new eight-cylinder car at the end of March by the manufacturer that has held the lead in the low-price field for years, until the last year or two, will terminate the suspense which has hobbled the industry in the first quarter. As a result, the second quarter is being entered with the outlook far more encouraging than it was a year ago, and expectations for increased sales are being strengthened by the realization that replacement demand should be helped this year by the large number of used cars which were substituted for new ones during 1930 and 1931.

CLEVELAND The usual expansion occurring in automobile production during the months of January and February in normal years failed to materialize during the first quarter of 1932, and the upturn immediately after the holidays lasted only until about the middle of January. The decline, compared with that for the same period of the previous year, was about 30 per cent in units, with a somewhat greater reduction in values, owing to a general downward trend in prices. This situation was undoubtedly aggravated, to a large extent, by the virtual disappearance from the market of one of the leading small cars during the first three months of this year.

As a whole, prices are easier in all makes of cars; in limited cases, where effort has been made to stiffen quotations, results have been disappointing. Discount and refinancing concerns handling automobile paper report collections slow, and much renewal of accommodations is extant. The outlook is that the months ahead will continue to register subnormal results in the industry as a whole.

Practically the same conditions are borne out in the reservation with which dealers place orders for parts and other accessories. On the other hand, the demand for used cars is more than ordinarily firm. Concerns rebuilding and repairing automobiles report business fairly brisk.

NOTICE

Dun's Review each week carries a current, detailed survey of an important industry. A total of twenty different lines are reported in this way, each being covered three times in the course of the year.

The next review of the Automobile Trade will be published in the August 27th issue of *Dun's Review*.

Next week—April 16—the subject of the special survey will be Drugs and Pharmaceuticals.

These industries will be surveyed in this sequence:

Plumbing Supplies	Jewelry
Building	Electrical Supplies
Fur	Iron and Steel
Dairy Products	Groceries
Furniture	Radio
Rubber Goods	Hardware
Paper Boxes	Paint & Wallpaper
Clothing	Dry Goods
Agricultural Implements	Paper

STRUCTURAL CHANGES IN THE BUSINESS SYSTEM
continued from page 6

taking place, but at this time it is unusually aggravated. This condition is likely to challenge the interest of the American people for many years to come. In some industries it may take the form of the five-day week, in others the 6-hour day. Just what effect such a change would have on productivity, cost of production, wages and the standard of living, remains to be answered, and the answer will be modified in the light of the type of business which is under discussion. However, the attempt to put more men on the job by means of a reduction of the working period will be a vital economic consideration for the future.

EMPLOYMENT ADJUSTMENT PRESENTS DIFFICULTIES

Another aspect of a prolonged unemployment problem will be found in the movement of population from the city to the country. Between January, 1930, and January, 1932, there was an increase of more than 200,000 in rural districts. Evidently the movement of the country is already under way. It will probably continue until there is a better economic balance between city and country population. There is also the possibility of a gradual decentralization of industrial centers in order that the employees of factories may be located on small agricultural plots. This is in line with the tendency to counteract the extremes of the divisions of labor. At this very point will be found the reason for advocating a greater diversification in agriculture, a greater diversification in investments, and a multiplicity of lines in merchandising. It is a part of a movement to introduce checks and balances in the industrial system.

Finally, well-defined limitations are growing up around giant business enterprises. In the first place a great many business mergers of the past ten years have been handicapped by a heavy promotional capitalization. Secondly, it has been found that a far-flung administration of business rapidly runs into a diminishing efficiency. Thirdly, the unusually large business finds it difficult to make adjustments in times of economic stress and change. The business world is more and more convinced that the day of the small, or medium sized independent is not past.

LARGE ORGANIZATION DEFINITELY LIMITED

Nothing has ever yet been discovered that year in and year out can equal the effectiveness of the man who combines ownership and management, who possesses enough capital and vision to get the benefit of progress in business technique, and who knows how to buy, how to sell and how to safeguard his credit.

SURVEY OF INDUSTRY

continued from page 35

cent lower than in the same period in 1931; inventory valuations were down by 19.7 per cent. These averages show a continuance of policy of reducing stocks and writing down values which has been followed by the majority of concerns since the beginning of 1930.

The industries contributing to the survey reported an average decline of 12.1 per cent in salary scales from the first quarter of 1931 and a reduction of 9.3 per cent in wage scales. Employment in the same industries was about 16 per cent below that of the first three months of 1931.

Commodity prices for the quarter were 9.3 per cent lower than in the same quarter of 1931. A favorable feature of the commodity price movement has been the narrow fluctuations which have occurred since last November. The decline of 9.3 per cent compares favorably with the reduction in the valuations of inventories effected during the period.

Failures in the quarter number 9,141 with liabilities of $275,520,622. The number exceeded that of the first quarter of 1931 by 7.8 per cent, while the liabilities were higher by 28.4 per cent. In both number and liabilities the failures of February and March were lower than those of January, a normal relationship. In 1931 liabilities increased 1.2 per cent from February to March, but this year the gain amounted to 10.4 per cent, with March liabilities of $93,760,311, against a February total of $84,900,106.

While it is impossible to say how much further increase there will be in this series it is encouraging to remember that record liability totals have often appeared in the final stages of deflation.

Statement of the ownership, management, circulation, etc., required by the Act of Congress of August 24, 1912, of DUN'S REVIEW, published weekly at New York, N. Y., for April 1, 1932.

State of New York, County of New York, ss. Before me, a Notary Public in and for the State and County aforesaid, personally appeared Quincy Adams, who, having been duly sworn according to law, deposes and says that he is the Editor of DUN'S REVIEW, and that the following is, to the best of his knowledge and belief, a true statement of the ownership, management (and if a daily paper, the circulation), etc., of the aforesaid publication for the date shown in the above caption, required by the Act of August 24, 1912, embodied in section 411, Postal Laws and Regulations, to wit:

1. That the names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, R. G. DUN & Co., 290 Broadway, New York, N. Y.; Editor, Quincy Adams, 290 Broadway, New York, N. Y.; Managing Editor, Quincy Adams, 290 Broadway, New York, N. Y.; Business Manager, W. A. Crane, 290 Broadway, New York, N. Y.

2. That the owner is: (If owned by a corporation, its name and address must be stated and also immediately thereunder the names and addresses of stockholders owning or holding one per cent. or more of total amount of stock. If not owned by a corporation, the names and addresses of the individual owners must be given. If owned by a firm, company, or other unincorporated concern, its name and address, as well as those of each individual member, must be given.) The firm of R. G. DUN & Co., composed of Arthur D. Whiteside, 290 Broadway, New York, N. Y.; Archibald W. Ferguson, 290 Broadway, New York, N. Y.; Thurlow W. Cunliffe, 290 Broadway, New York, N. Y.

3. That the known bondholders, mortgagees and other security holders owning or holding 1 per cent. or more of total amount of bonds, mortgages, or other securities are: There are none.

4. That the two paragraphs next above, giving the names of the owners, stockholders, and security holders, if any, contain not only the list of stockholders and security holders as they appear upon the books of the company but also, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting, is given; also that the said two paragraphs contain statements embracing affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner; and this affiant has no reason to believe that any other person, association, or corporation has any interest direct or indirect in the said stock, bonds, or other securities than as so stated by him.

QUINCY ADAMS,
Editor.

Sworn to and subscribed before me this 18th day of March, 1932.

PETER R. GATENS,
[Seal] Notary Public No. 26, New York County.
(My commission expires March 30, 1934.)

INTERNATIONAL TRADE DIRECTORY

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